



Daily Report

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NOTICE TO READERS: An * indicates material not previously disseminated in electronic form.

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General

XINHUA Comments on Middle East Peace Talks

Sees U.S.-Israeli 'Contradictions'

*OW0912062691 Beijing XINHUA Domestic Service
in Chinese 1008 GMT 8 Dec 91*

[News Analysis by XINHUA reporters Shui Junyi (3055 0971 4135) and Wang Lianzhi (3769 6647 1807): "How Did U.S.-Israeli Contradictions Develop?"]

[Text] Beijing, 8 Dec (XINHUA)—Despite the United States' repeated urgings, Israel has simply refused to send a delegation to Washington on 4 December, making it impossible to resume the Arab-Israeli direct talks on that day as scheduled. Israeli vice foreign minister Netanyahu claimed that Israel's boycotting of the 4 December talks was to show that it cannot let itself be ordered around by the United States.

As a matter of fact, disagreements between the United States and Israel have long been common knowledge. Since U.S. Secretary of State Baker's first shuttle visit to the Middle East last March, Israel has made veiled criticism of the U.S. Middle East peace efforts. Since then, it has either passively boycotted or openly created obstacles to the U.S. peace talks proposals. In September of this year, to force Israel to accept the U.S. proposal for peace talks, the Bush administration used its last resort—asking the Congress to postpone its debate on giving Israel \$10 billion credit for four months. Since the opening of the Middle East peace conference, Israel has shown extreme displeasure for some of the U.S. moves and has been quick to file protests, although it was forced to sit at the negotiation table. To keep the Arab-Israeli peace talks going, the United States voluntarily invited all Arab parties concerned and Israel to resume the peace talks in Washington on 4 December. Israel was very much annoyed by the U.S. failure to discuss the issue with it in advance and thus was resolved not to attend the talks, causing the United States lose face.

It is not accidental that contradictions between the United States and Israel have opened and deepened. In the final analysis, these contradictions show that cracks have surfaced in the two countries' strategic interests. Everybody all knows that, as the world order has changed dramatically, U.S. strategy in the Middle East has also changed. Over the years, the United States has relied on its ally Israel in its fight against the Soviet Union's infiltrations in the Middle East. Now that Soviet influence has decreased sharply in the Middle East, Israel's importance to the United States has dwindled noticeably. The Gulf crisis and war made the United States believe that it is hardly enough to solely rely on Israel to protect its political and economic interests—especially regarding oil—in the Middle East, and that it is particularly necessary to build a new balance of power between the Arab nations and Israel. For this

reason, the United States is determined to bring about a solution to the Arab-Israeli conflict on the "land for peace" principle.

What the United States has done has drawn favorable responses from the Arab world, but it has hit a nerve with Israel. What Israel, which has long benefited from the turbulence in the Middle East, is worried about most is that the end of the cold war will lower its strategic position in the Middle East. Once the Arab-Israeli conflict is has been resolved, Israel's influence will be further decreased, and it will be more difficult for Israel to get large amounts of grants. This is what Israel is extremely unwilling to see.

Moreover, in addition to inviting Arab countries and Israel to attend the Washington talks, the United States suggested that Israel consider withdrawing from the Golan Heights and handing over the city of Jazzin in southern Lebanon, which has been under Israel's control, to Lebanese Government troops. The Golan Heights issue has long been a strategic issue involving Israel's security. Israel maintains that the United States is forcing its will on it and, therefore, refuses to accept the U.S. proposal.

Of course, tensions between the United States and Israel have a limit. In any case, Israel is still the United States' most reliable ally in the Middle East, and it all the more needs U.S. support and aid. For this reason, the two countries have exercised restraint after this round of wrestling. Although Israel intentionally failed to attend the Washington talks as scheduled, it has expressed willingness to continue the peace talks. At the same time, the United States has left some room for Israel. Aside from expressing its "disappointment," the United States did not criticize Israel very strongly. Judging from the above developments, disputes may continue to erupt between the United States and Israel; however, after wrestling for a while, the two sides will coordinate their positions again. They will not turn their backs on one another.

Analyzes 'Disputes'

*OW1012062491 Beijing XINHUA in English
0520 GMT 10 Oct 91*

[Text] Washington, December 9 (XINHUA)—Although the second phase of the Middle East peace talks is scheduled to open at 10 A.M. on Tuesday at the U.S. State Department, disputes over the talks between Israel and Arabs did not subside.

The Israelis wanted to move the talks venue to the Middle East, or at least to a place nearby, after two or three sessions in Washington, and Israeli officials said they might stay here only until Friday.

But Hanan 'Ashrawi, spokeswoman of the Palestinian delegation, said "we are determined to stay as long as it takes to establish peace.... We want to stay in Washington."

And the United States is sticking to its position that Washington must be the negotiations site.

"Ashrawi also said what the Palestinians wanted to talk to Israelis first was to end the Jewish settlements in the West Bank and Gaza Strip.

"We do have a real commitment to ensure the integrity of the process by tackling the settlement issue immediately in order to prevent further violations of the principle on which the process is based."

"You cannot have Israelis constantly defy the principles of the process by expanding settlements, by building new settlements and expropriating more land," she said.

The peace talks had been scheduled for last Wednesday, but postponed due to the boycott by Israel, which sent its negotiating team to Washington only on Sunday.

The Israelis and the Palestinians would negotiate the Palestinian self-government as a transitional phase for the West Bank and Gaza Strip.

But the Palestinian delegation wanted to meet with Israeli counterpart separately from the Jordanians.

Haydar Abd-al-Shafi, leader of the Palestinian delegation, said the Palestinians would enter the State Department tomorrow as a separate delegation.

"We won't meet tomorrow as a joint delegation," he said. For its part, Israel insisted on one delegation composed equally of Palestinians and Jordanians, said Elyakim Rubinstein, who leads Israeli team to those talks.

And Margaret Tutwiler, spokeswoman of the State Department, said "we are aware of the parties' views on that issue, and everyone agreed on the terms of reference, and term of reference is a joint delegation."

But 'Ashrawi said the U.S. invitation letter said very clearly that there were twin-track talks, one track the Palestinian-Israeli talks and the other track the Arab-Israeli talks. "It did not say the all-together Arab-Israeli track or the Palestinian-Jordanian and Israeli track. This was the basis of negotiations," she said.

"After Madrid, there was a joint press statement that said they agreed to discuss separately with the Palestinians on issues that deal with the transitional phase," she said. "Now we see all of a sudden another attempt at changing the rules after the game has started."

'Ashrawi accused Israel of "desperately looking for side issues in order to place more obstacles and in order to buy more time."

UN Security Council Disagrees on Iraq Sanctions

OW0712013291 Beijing XINHUA in English
2232 GMT 06 Dec 91

[Text] United Nations, December 6 (XINHUA)—the U.N. Security Council today failed to reach agreement on the relaxation of the economic sanctions imposed last year against Iraq.

At its consultations this morning, the seven non-aligned members proposed that the requirement for prior approval by the sanctions committee on a "no-objection" basis be lifted for civilian and humanitarian imports such as food, medical supplies and supply of daily necessities, according to diplomatic sources.

They also asked committee members to accompany their objections to other imports with detailed explanations and requested the U.N. secretary-general to report on the remaining obligations and conditions which have not yet been met by Iraq as stipulated in Security Council Resolution 687, which sets the terms for the gulf cease-fire.

If it is determined that some of them have not been fully met, they said, the secretary-general would be requested to propose steps needed to be taken toward their fulfillment within a specific time frame.

China expressed its support for the proposal of the seven countries—Cote d'Ivoire, Cuba, Ecuador, India, Yemen, Zaire and Zimbabwe.

It urged the security council to take measures and quickly satisfy the Iraqi people's humanitarian needs so as to relieve their sufferings as soon as possible.

According to a recent report of the International Committee of the Red Cross, Iraq faces acute shortages of foodstuffs, medical supplies and other daily necessities such as safe water supply.

However, at the consultations today, some western countries, including the United States and Britain, objected to the proposal of the non-aligned countries.

Speaking to reporters after the consultations, British Ambassador David Hannay said the degree of Iraq's compliance with resolution 687 "leaves a great deal to be desired." "There is still a very great deal in the area of weapons of mass destruction, in the area of the return of the Kuwaiti detainees and Kuwaiti property and in a number of other matters which remains to be done," he declared.

Under the resolution, Iraq is required to unconditionally destroy its biological, chemical and nuclear weapons capabilities and ballistic missiles with a range of more than 150 kilometers in addition to the payment of war damages and the return of the Kuwaiti detainees and property it seized during its invasion and occupation of Kuwait between August last year and early this year.

It also stipulates that the sanctions, imposed last year after the invasion, shall be lifted when Iraq has completed all actions in these areas.

Today's consultations were held in accordance with the resolution, which calls for a review of the sanctions every 60 days. The members plan to continue considering the matter next Monday.

Seminar Studies UN Convention on Child Rights

HK0512050691 Beijing CHINA DAILY in English
5 Dec 91 p 1

[By staff reporter: "New Law To Protect Children"]

[Text] China will ratify the Convention on Children's Rights as soon as the legal process is completed, a national seminar on this international document was told yesterday in Beijing.

Much more study of the convention will be required before China can endorse it, one reason why the seminar is being held, according to government officials.

China is one of the countries which helped draft the convention, which was adopted by the 44th Session of the United Nations General Assembly in 1989, and has been signed by about 130 countries and regions.

A law on the protection of minors, the first to be introduced in this country with 400 million children, comes into effect on January 1.

This indicated the great concern felt over children by the Chinese Government, and it also showed "a great leap forward" in China's law-making, according to Wang Shuxian, a top official with the All-China Women's Federation.

She was speaking at the opening of the three-day seminar on the convention yesterday in Beijing.

The Law on the Protection of Juveniles' Rights and Interests in the People's Republic of China was approved by the Standing Committee of the National People's Congress on September 4.

Wang said that the Chinese Government has all along attached great importance to the protection of the legal rights and interests of children and young people.

The Chinese Constitution stipulates that the State pays special attention to the all-round moral, intellectual and physical development of young people, and prohibits the ill-treatment of children.

Currently, 18 provinces, autonomous regions and municipalities have formulated local laws, administrative rules and regulations on the protection of legal rights and interests of children.

The seminar is sponsored by the All-China Women's Federation, All-China Youth Federation, China Young

Pioneers Working Committee, China Law Society and the United Nations Children's Fund (Unicef).

It is aimed at giving an increasing number of Chinese people, especially high-ranking government officials, a much deeper understanding of this international document, and so easing the path to its ratification by China.

Envoy Stresses Sovereignty in Crime Cooperation

OW1012030491 Beijing XINHUA in English
2246 GMT 9 Dec 91

[Text] United Nations, December 9 (XINHUA)—China has reiterated its position that in international cooperation in crime prevention and criminal justice, the principle of equal sovereignty must be strictly followed.

The emphasis was made today by Chinese delegate Liu Xinsheng at the U.N. Social, Humanitarian and Cultural Committee on Crime Prevention and Criminal Justice.

The Chinese delegate said that the judicial system of a state is closely related to its constitution and laws. Each state has the sovereign right to choose the judicial system that is suitable to its own conditions as well as to prevent and control crime through various ways and means within the framework of its constitution.

"In undertaking international cooperation in this field, states should strictly abide by the principle of equal sovereignty with a view to achieving the common goal of combating crimes".

"Making irresponsible and improper comments on the judicial systems of other countries and forcing one's views and systems on others will only do disservice to the normal international cooperation," he added.

With regard to mutual exchange of information in the field, Liu called on member states to disregard the differences in their level of development, ideologies and social systems, carry out cooperation in good faith and ensure the smooth development and fruitful results in crime prevention and control across the world.

Iranian Leader on Ties With Moscow, Republics

OW0912132091 Beijing XINHUA in English
1214 GMT 09 Dec 91

["Iran To Regulate Ties with Moscow, Says Official (by Li Hongqi)"]—XINHUA Headline]

[Text] Tehran, December 9 (XINHUA)—Iran would regulate its relations with the Soviet Union on the basis of a final plan to be worked out by the Soviet leaders on all Soviet republics, First Vice President Hasan Habibi announced here today.

Speaking at a weekly press conference as government spokesman, Habibi said that the political developments in the Soviet Union were an internal question of that country, but "Iran is waiting to see what decisions the Soviet leaders will make on the future political structure

of that country in order to establish its relations with the new body and with its subordinate countries."

Iran has common religious, ethnic and linguistic backgrounds with the moslems of the Soviet Asian republics, and "presently we are following up the current developments in these regions on the basis of the aspirations and demands of their people," the vice president added.

He failed to make it clear if Tehran would back the independence of these Soviet republics from the central government.

When Iran's Foreign Minister 'Ali Akbar Velayati paid a 10-day visit to Moscow and capitals of the six republics earlier this month, he was quoted by reports as announcing Iran's reluctance to recognize the republics' breakaway, but it was denied by the minister himself shortly afterwards.

Velayati assured the republics' leaders that Tehran would respect the people's determination and hoped to have better ties with Iran's northern neighbors.

It was believed that Tehran was pleased at the growing role given to the Soviet moslems but also anxious about possible spreading of unrest and running out of control of the situation in the Soviet republics.

The Iranians fear that "some outsiders" may take advantage of the chaotic situation there and that possible bloodshed would lead to the outflow of large numbers of refugees to Iran.

A parliament delegation from the Soviet Azerbaijan Republic is now in Tehran for discussions of the latest Soviet developments with Iranian lawmakers. No details of the discussions were available so far.

'Year-End Report' Addresses North-South Divide

*HK1012074491 Beijing XINHUA Hong Kong Service
in Chinese 0621 GMT 4 Dec 91*

[Year-End Report by Zhang Xichun (1728 6932 4783):
"The International Community Should Make Concerted
Efforts To Stop Widening of North-South Gap"]

[Text] Beijing, 4 Dec (XINHUA)—The economic gap between developing and advanced countries is widening constantly. A failure to solve this problem will inevitably hinder the sustained development of the world economy and give rise to factors leading to instability, thus endangering world peace and stability. Under such circumstances, the international community should take concerted efforts and earnestly adopt effective measures to gradually solve this problem.

Restricted by the old international economic order, the vast numbers of developing countries, despite their vigorous efforts, are still faced with numerous obstacles in developing their own economies.

During the 1980's, developing countries went through an extremely difficult decade. Suffering a deteriorating international economic environment, despite their own positive macroeconomic policy readjustments and vigorous attempts to create conditions for their own economic growth, many developing countries failed to develop simultaneously with the advanced countries—on the contrary, they found a wider economic gap between themselves and the advanced countries. Statistics in the "1991 World Development Report" issued by the World Bank show that, during the 10 years from 1980 to 1989, average annual per capita growth of real total domestic output value of developing countries stood at only 1.6 percent, 2.2 percent lower than that of the advanced countries during the same period. Among developing countries, African countries south of the Sahara and Latin American countries respectively registered a -1.2 and -0.4 percent growth. By the mid-1980's, nearly one-third of the population of the developing countries, a total of 1 billion people, lived in poverty.

According to a World Bank estimate, during the 1990's, the world economy will see greater growth than that experienced in the 1980's, and the average annual growth rate of real domestic output value in developing countries is expected to reach 4.9 percent. In 1990, however, several major Western countries, including the United States, Britain, and Canada were caught one by one in economic recession, and then the Gulf war broke out. As a result, the world economy's sluggish performance was expanded, and many developing countries were greatly affected. According to statistics in "World Economic Prospects," issued last May by the International Monetary Fund, real domestic output value in developing countries grew by only 0.6 percent in 1990, while in 1991 it is expected to be a mere 0.8 percent. Such rates are not only lower than World Bank estimates but are also lower than the 2.5 and 1.3 percent growth rates that have been and will be attained respectively by advanced countries over these two years. This shows that the economic gap between developing and advanced countries is constantly widening.

Looking forward to the 1990's, developing countries are still faced with an extremely grim external economic environment. The advanced countries' economies are growing at a slow pace, so there will not be a large demand for the raw materials exported by developing countries; Western countries are stepping up trade protectionism; non-tariff barriers are emerging in an endless stream; and, as a result, developing countries have to meet increasingly difficult foreign trade conditions. The world's financial reserves are insufficient, and some major Western countries have failed in their effort to lower their huge financial deficits. Due to increasing demands for funds from the Gulf countries, the Soviet Union, and Eastern European countries, some poor countries will find it harder to obtain financial aid and meet harsher terms. Although in recent years some exemptions have been granted to developing countries on their debt repayments, the reductions have been

limited, and the interest rates are still high. Consequently, many developing countries are shouldered with heavy debt burdens. As technological competition in Western countries has become increasingly acute, such countries have imposed stricter controls over technological transfer.

The vast numbers of developing countries feel deeply worried about such a trend, which is increasingly widening the gap between the South and North, and so do many people with insight in the West who have begun to realize that the wide gap between the rich and the poor is "a root leading to conflicts and political turbulence." They are also aware of the fact that "the security and welfare of the advanced industrialized countries depend on the economic prospects of the poor throughout the world." They have warned that "the rich industrialized world can no longer ignore this wasteland."

During recent years, in facing this grim situation, the vast numbers of developing countries have, on the one hand, persistently carried out policy readjustments in light of their national conditions with the aim of bringing about further economic growth; and on the other hand, they have strengthened economic cooperation with neighboring countries to expedite their own economic development. Meanwhile, at different international conferences, developing countries have also vigorously called on advanced countries to make appropriate efforts to open up markets to developing countries, lighten the debt burden on developing countries, provide more financial aid, and create an international economic environment which is more favorable to developing countries.

The World Bank pointed out in its 1990 special report on the poverty issue: "Although domestic policy is vital in easing poverty, these countries still need support and aid from the international community." Facts have also proven that, in today's world, the only way to meet such a challenge is to rely on the concerted efforts of the international community.

Beijing To Host 48th ESCAP Session Apr 1992

OW0612101391 Beijing XINHUA in English
0750 GMT 6 Dec 91

[Text] Bangkok, December 6 (XINHUA)—China will be host to a major United Nations event when the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) holds its 48th annual session in Beijing from April 14 to 23, 1992.

According to the ESCAP Commission's information office here, in preparation for this event, Li Shichun, Chinese ambassador to Thailand, and S.A.M.S. Kibria, executive secretary of ESCAP, today signed the host country agreement covering the 48th commission session.

It was learned that the theme topic for the 48th commission session is "Regional Economic Cooperation in the ESCAP Region: Prospects, Priorities and Policy Options."

Kibria recalled that China was one of the prime forces in establishing the commission which was founded in 1947 in Shanghai. Since then, the total membership of the commission had grown almost five-fold, he said.

The Chinese ambassador said that holding the commission session in Beijing was significant for widening and strengthening economic cooperation within the region.

With its headquarters in Bangkok, the commission promotes economic activity and social progress in the Asia-Pacific region. Its 49 members which includes China, and associate members represent nearly 3 billion people or some 57 percent of the global population.

Cross-Border Fair Trade Developing Rapidly

HK0912093691 Beijing ZHONGGUO XINWEN
SHE in Chinese 0604 GMT 2 Dec 91

[Text] Nanning, 2 Dec (ZHONGGUO XINWEN SHE)—The first national forum on the work of managing border fair markets has been held in Guangxi's Qinzhou City. It has reported that China's border residents and its neighboring countries have been actively involved in fair trade in recent years, and border fair trade is developing rapidly on a sizable scale.

Nine provinces and autonomous regions of China are adjacent to 12 neighboring countries, and their border totals 22,000 kms. In recent years, cross-border fair trade between residents of Chinese border areas and border residents of Vietnam, the Soviet Union, Korea, Mongolia, Burma, and India has been developing on a sizable scale. In Yunnan Province, which is adjacent to Burma, Laos, and Vietnam, 206 border fair markets have been set up with government approval at and above the county level. The volume of trade on these markets reached 300 million yuan last year. There are also more than 110 border fair markets formed spontaneously or approved by local governments in Guangxi, and their total trade volume last year reached 700 million yuan. It is expected that this year's trade volume will top 1 billion yuan.

There are four major characteristics in China's border fair trade: The main participants have gradually changed from individual border residents to full-time individual traders; the traditional pattern of bartering native products made by border residents themselves in order to exchange such goods for what they need in daily life has gradually been replaced by the new trading pattern of selling goods produced in interior areas on the basis of payment in cash for the purpose of making profits; market facilities for border fair trade have been improved to some extent—as an example, Yunnan has invested some 19.6 million yuan in building 75 border fair markets; an increasing number of foreign traders set up permanent shops at fair markets on the Chinese sides after obtaining permits to enter China. In Yunnan's border areas, more than 1,000 Vietnamese border traders have done business for a period of over one year, and such people in Guangxi also number nearly 100.

United States & Canada

Deng Xiaoping Decides on Tactics for Baker Talks

HK1012153091 Hong Kong CHING PAO in Chinese
No 173, 5 Dec 91 pp 30-31

[Article by Liu Ying (0491 4134): "Deng Personally Decided on Tactics for Talks With Baker"—first two paragraphs are CHING PAO introduction]

[Text] Deng Xiaoping has said: When Baker comes to visit, do not let him go home empty handed. We should make the concessions that we should make; we should make the concessions that we can make, and we should make the concessions that can break the impasse.

Chen Yun and Bo Yibo maintain that, if you back off one step today, he will ask you to back off two steps tomorrow, and after you back off two steps, he will force you to back off 10 steps.

U.S. Secretary of State James Baker visited China in mid-November. His trip was the focus of attention throughout the world, and both China and the United States announced that the visit achieved results.

Information from Beijing has indicated: The Chinese leaders made full preparations for Baker's China visit, but they were also disturbed by the difference in policy at the most senior level. A person who had participated in organizing the talks with Baker has revealed: It was Deng Xiaoping who made the decisive decision, which was to allow Baker to achieve the results that he has been fighting for and that he should have, so that he would be able to return to the White House and report to Bush, as well as explaining to Congress.

On the eve of Baker's arrival, General Secretary Jiang Zemin, President Yang Shangkun, and Premier Li Peng briefed Deng Xiaoping on the preparation work for talks with Baker, and asked Deng to give instruction for the problems which might arise during the talks with Baker. During the briefing, National People's Congress Chairman Wan Li and Foreign Minister Qian Qichen were also present.

Deng Xiaoping Said: Make the Necessary Concessions

Deng Xiaoping has said: This time the Sino-U.S. talks must produce some results that are acceptable to both sides. When Baker comes to visit, do not let him go home empty handed. According to the spirit of the three Sino-U.S. joint communiques, relations between the two countries should certainly be normalized quickly. We want to see a role which promotes world peace and friendly exchanges between the Chinese and American people after the establishment of Sino-U.S. diplomatic relations. The talks with Baker this time will touch the problems on which both sides have arguments and different viewpoints. Our attitude is that, on the premise of upholding state sovereignty and the major principle of internal affairs, we should make the concessions that we

should make, make the concessions that we can make, and make the concessions that can break the impasse. As for the problems involving sovereignty and internal affairs, when Baker raises these issues, we may listen, and after listening we will clarify our stand; whenever we can talk frankly, we talk frankly, and explain clearly, and indicate which things can be done by ourselves, which things can be done only after consultation between both sides, which things can be decided after we have given them some thought, and which things we cannot do or which we consider unacceptable. This will enable us to avoid being passive.

According to information we have received, Deng Xiaoping has also suggested: We may invite President Bush to visit China at a convenient time next year. If Bush accepts Deng's proposal, certainly there will be a major breakthrough.

Chen Yun Says: Do Not Have Illusions About the United States

This information also indicated: Central Advisory Commission Chairman Chen Yun and Vice Chairman Bo Yibo have insisted that the CPC examine and amend its policy for dealing with the United States, upholding party and state principles. On 12 November, when Bo Yibo attended a CPC Central Committee Political Bureau meeting, which was to discuss the policy for talks with the United States, he cited words from the Central Advisory Commission and from Chen Yun as well. He said: The party's decisionmaking apparatus should seriously examine the policy of dealing with the United States. The ruling class in the United States openly indicates that they want to use their ideology and system to influence and change our socialist system, and they are using the evolution and rapid changes in the Soviet Union and East Europe as examples, along with our trade and economic inclination toward the United States over the past six years, to check and oppress us. When facing a country of hegemony and power politics, we cannot make concessions concerning matters of principle. When you back off one step today, he will ask you to back off two steps tomorrow, and after you back off two steps, he will force you to back off 10 steps, thus, we will fall into a passive pattern of being manipulated by power politics. We have already had a sober understanding since the political turmoil in 1989, that to build socialist undertaking, we should not have any illusion about the United States or place hope in it, and we can only use our own strength to achieve the fixed goal.

The Chinese Side's Principle for Talks With Baker

The information also revealed: The principle for the talks with Baker as formulated by the CPC Central Committee Political Bureau is as follows:

As for the problems that involve sovereignty and internal affairs, we can only listen—we cannot make promises or concessions, and we must explain our stand. When considering partial problems, we must adjust, relax, consider, and yield according to the situation. As for the

problems which involve bilateral ties and other countries, both sides must make concessions, or let (the Chinese side) first back off a step, and when concessions cannot be made any more, the obligation will not be on the Chinese side.

XINHUA on U.S. Senate Human Rights Hearing
*OW1012043491 Beijing XINHUA Domestic Service
in Chinese 1144 GMT 9 Dec 91*

[Text] Beijing, 9 Dec (XINHUA)—The U.S. Senate Foreign Relations Committee recently held a public hearing on whether the United States should join "The International Covenant on Civil and Political Rights" (described below as "The Human Rights Covenant"). It reached an initial conclusion that the U.S. Constitution is above international law and that it has no intention of granting easy passage to ratification of the covenant.

"The Human Rights Covenant" has a 25-year history. It is one of a few important international human rights pacts that the United States has not yet ratified or participated in. Former U.S. President Carter failed to persuade the Senate to ratify the covenant. President Bush agreed in August to again submit the relevant application forms to the Senate for deliberation.

Republican conservative congressman Jesse Helms of the Senate Foreign Relations Committee, who chaired the public hearing, argued passionately at the meeting's opening. He said: After waiting 25 years, why are we rushing now?"

Richard Shifter, representative of the Bush administration and assistant secretary for human rights and humanitarian affairs, said: The basics protected by the covenant are "those civil and political rights represented by the Western tradition of freedom and democracy," including such freedom and rights concerning ideological awareness, religion, public opinion, association, assembly, election, and migration. Because human rights is an important tool of U.S. foreign affairs, if we enter the covenant, "we will be more just forceful when we challenge those governments that insist that human rights issues should be viewed as internal affairs."

In trying to convince the Senate, Shifter also explained: The United States has only to sign the covenant and need not use it to contain itself. First, clauses in the covenant do not automatically come into force in U.S. courts unless Congress proposes new legislation. Second, if Congress amends existing laws, it can maintain a reservation on clauses in the covenant that do not suit U.S. laws. Third, new clauses that suit the U.S. federal system should be added to the covenant.

Helms was not affected by these arguments. He said: Our congress members pledged their allegiance to the U.S. Constitution before they took office; therefore, the Senate will definitely not ratify an international covenant which runs counter to the U.S. human rights bill,

because that is a breach of faith. He urged all to "strive to protect the sovereignty of the United States of America."

Professor (?Ronald Rotunda) of Illinois State University's School of Law supported Helms at the public hearing. He expressed the opinion that some clauses in "The Human Rights Covenant" do not suit the U.S. Constitution and that approving them would be like "providing arms to dictators throughout the world." He also said: According to the U.S. system, clauses stated in the covenant do not come into force in U.S. courts upon our signing of the covenant; however, "other departments of the government should not use such reasoning to shirk their responsibilities."

Although some people in the United States continuously use "human rights" to point an accusing finger to other countries, the U.S. Government, concerned for its national interest, has so far failed to ratify and participate in a series of important international human rights pacts, such as "The International Covenant on Economic, Social, and Cultural Rights," "The International Convention on the Suppression and Punishment of the Crime of Apartheid," "The Convention Against Torture and Other Cruel, Inhuman, or Degrading Treatment or Punishment," and "The Convention on the Elimination of All Forms of Discrimination Against Women." Regarding this state of affairs, (?Hachroff), executive vice chairman of the U.S. International Law Society, said: Seeing as the United States has failed to participate in important international human rights pacts, what basis does it have for focusing on the human rights issue in other countries?"

Uncopyrighted Publication of U.S. Novel Banned
*OW0412041891 Beijing XINHUA in English
0335 GMT 4 Dec 91*

[Text] Beijing, December 4 (XINHUA)—The Shanghai Translation Publishing House purchased the copyright of American best seller "Scarlett" and it will solely publish the Chinese edition of novel in China, the "PEOPLE'S DAILY" [RENMIN RIBAO] reported today.

"Scarlett" is the sequel to Margaret Mitchell's popular Civil War-era novel, "Gone With the Wind." "Scarlett" stirred readers in the United States and in the world when it was published last September.

The novel has been published in more than 12 languages as many publishing houses in the world have purchased the copyright.

As the first in the Chinese mainland to hold the publishing right, the Shanghai Translation Publishing House published a notice in "Publication News" on Nov. 15 to announce it.

When the State Administration of Press and Publication and Copyright Bureau learned of the matter, they took

administrative measures to prohibit the publishing houses without the copyright of "Scarlett" from publishing the book.

As a result, the other publishing houses, which are intending for publishing this novel, ceased their editing and printing work on the book as soon as they learned of the development. They will also bear their own losses for the costs of publishing the book.

The State Administration of Press and Publication and Copyright Bureau have formulated a regulation on enhancing the management of publishing foreign works in China.

The regulation focuses on the specific demands for publishing houses to observe copyright laws, respect contracts and enhance registration in publishing foreign works.

Soviet Union

Further Reports on Establishment of 'Commonwealth'

'Friendly' Ties With Republics Sought

HK1012102291 Hong Kong AFP in English 0955 GMT 10 Dec 91

[Text] Beijing, Dec 10 (AFP) - China will develop friendly relations with the Soviet breakaway republics of Russia, Belarus and the Ukraine, the foreign ministry said Tuesday.

"China's consistent stand is to never interfere in the internal affairs of another country, but to respect the choice of the people of each country," a foreign ministry spokesman said.

"China will continue to develop friendly relations and cooperation with Russia, Belarus and the Ukraine," he said.

The spokesman made no other comment on the creation of a new union between the three states which have abandoned the Soviet Union after holding referendums.

The breakup of its northern neighbour worries Beijing which fears it could destabilise regions in China where minority races are grouped.

It is concerned essentially with Tibet in the west, and Xinjiang and Inner Mongolia, two regions bordering on the Soviet Union.

While cracking down on nationalism in these regions, Beijing has pursued a pragmatic foreign policy which involves quickly recognising any political change in the Soviet Union.

After recognising the independence of Estonia, Latvia and Lithuania, China swiftly established diplomatic relations with the three Baltic states.

Commonwealth 'Legal Successor' to USSR

OW0912184791 Beijing XINHUA in English 1653 GMT Dec 91

[Text] Moscow, December 9 (XINHUA)—Russia said today the newly born commonwealth of sovereign states is the legal successor of the Union of the Soviet Socialist Republics [USSR].

Gennady Burbulis, First Vice Prime Minister of the Russian Government, told reporters that the former USSR is no longer a subject of international law and is ceasing its existence.

He noted that the creation of the commonwealth, which encompasses Russia, Ukraine and Belorussia, was the result of the meeting held by leaders of these three republics in the Belorussian capital of Minsk over the last weekend.

Commonwealth Termed 'Proposal'

OW0912194691 Beijing XINHUA in English 1836 GMT 9 Dec 91

[Text] Moscow, December 9 (XINHUA)—Russian President Boris Yeltsin has said that the agreement for the establishment of a commonwealth by the three Slavic republics should be considered only a proposal.

Kazakhstan President Nursultan Nazarbayev quoted Yeltsin as saying today that the agreement, as a proposal by Russia, Ukraine and Belorussia, will be submitted parallelly with the draft union treaty to the Parliament of the Sovereign Republics for discussion.

Nazarbayev made the remarks at a press conference after 80 minute tripartite meeting today between Soviet President Mikhail Gorbachev, Russian President Boris Yeltsin and himself.

The Kazakhstan president also said he still maintains that the new union treaty should be signed.

Meanwhile, close political and economic contacts between the sovereign republics should be retained.

He said he had no knowledge of the agreement for the establishment of a commonwealth signed by leaders of the three Slavic republics before he came to Moscow on Sunday.

He noted that there are no posts for the union parliament and the president in the agreement by the three republics while the two positions are preserved in the new union treaty.

Under the current complicated situation, he said, Gorbachev can play his role.

"The country needs him," he said.

Nazarbayev warned that there would be bad consequence if Russia, Ukraine and Belorussia insist on a Slavic commonwealth while other republics defend the new union treaty.

In another development, Soviet Presidential Spokesman Andrei Grachev announced that Gorbachev will continue consultations with leaders of the sovereign republics as well as other politicians and social activists on the agreement by Russia, Ukraine and Belorussia.

Yeltsin Informs Bush

OW1012043191 Beijing XINHUA in English
0330 GMT 10 Dec 91

[Text] Moscow, December 9 (XINHUA)—Russian President Boris Yeltsin today informed U.S. President George Bush of the agreement on founding a "commonwealth of sovereign states" signed by the leaders of Russia, Belarus and the Ukraine in Minsk.

Russian Foreign Minister Andrey Kozyrev told a press conference that President Yeltsin telephoned President Bush on behalf of the three republic leaders.

Because the majority of Soviet strategic nuclear weapons are deployed in the territories of Russia, Belarus, and Ukraine, Yeltsin asked Bush to note provisions in the new agreement concerning control over nuclear arms. Bush gave a 'positive reaction' to the provisions.

Asked who will now control the nuclear arms, Kozyrev said that they were under the control of the Soviet president, the Council of Defense and the Defense Ministry.

He meanwhile noted that the agreement of the three sovereign state provide for the safeguarding of a united supervision over nuclear arms and nuclear non-proliferation.

Breakaway Republics Issue Statement on Moldova

OW0912185491 Beijing XINHUA in English
1422 GMT 9 Dec 91

[Text] Moscow, December 9 (XINHUA)—Leaders of the Russian Federation, Ukraine and Belorussia issued a statement in Minsk Sunday saying they, very much concerned about the latest developments in Moldova, appeal to the parties concerned there to overcome their differences through negotiations.

The statement said that all the disputes in Moldova including the question of respect for the rights of ethnic minorities, should be solved peacefully in accordance with widely accepted norms of international law and documents adopted by the Conference on Security and Cooperation in Europe.

The statement is believed to be directed at the fact that the presidential election in Moldova on Sunday was

boycotted in some parts of the republic and that some political forces are openly advocating Moldova's merge with Romania.

The statement was signed in the Belorussian capital by Russian President Boris Yeltsin, Ukrainian President Leonid Kravchuk, and Chairman of the Belorussian Parliament Stanislav Shushkevich.

Gorbachev Criticizes Creation of Commonwealth

OW1012033791 Beijing XINHUA in English
0145 GMT 10 Dec 91

[Text] Moscow, December 9 (XINHUA)—Soviet President Mikhail Gorbachev said today that the three Slavic republics have no right to proclaim the end of the USSR.

He said although "each republic has the right to withdraw from the Soviet Union, the fate of our multinational country cannot be decided by the will of three republican leaders."

This question can only be resolved through constitutional means with the participation of all sovereign states, he added.

He criticized Belarus, Russia and Ukraine for signing an agreement on Sunday on the establishment of a commonwealth of sovereign states.

"It happened at a time when the republics' parliaments are discussing the draft treaty of the union of sovereign states," he said.

He proposed that supreme soviets of both the USSR and its republics discuss the draft treaty of the union of sovereign states.

Gorbachev Says Union Treaty Still First Priority

OW0912044791 Beijing XINHUA in English
0312 GMT 9 Dec 91

[Text] Moscow, December 8 (XINHUA)—Soviet President Mikhail Gorbachev said today his biggest present concerns were seeing how the Ukraine would develop its ties with other sovereign states and the crucial issue of signing a new union treaty. In a television interview broadcast today, the Soviet president said he believed the Ukrainian people stood for cooperation with all other sovereign states and the establishment of a new union.

Gorbachev's statement came after the announcement that Russia, Belorussia and Ukraine were forming a state union.

The three Slavic republics of the former Soviet Union signed an agreement in Belorussia today on the establishment of "a union of independent states."

And Russian President Boris Yeltsin, Belorussian leader Stanislav Shushkevich and Ukrainian President Leonid

Kravchuk all voiced opinions against Gorbachev's efforts to hold the former union together.

"The negotiations on formulating a new union treaty have been plunged into a dead end," they said in a joint statement.

Earlier, Gorbachev had urged the Soviet of Republics to ratify the Draft Treaty on the Union of Sovereign states.

The Soviet of the Republics, or upper parliament, began sessions on December 3 to discuss the new Union treaty.

Meanwhile, the leaders of the three Slavic republics also signed a statement announcing a coordinated economic policy, the TASS news agency reported.

The preservation and development of already existent close economic ties between the three republics were of vital importance to stabilize the national economy, they said.

The three would carry out coordinated fundamental economic reforms aimed at creating feasible market mechanisms, transforming ownership relations and ensuring the freedom of business, they said.

The statement also expressed the leaders' desire to refrain from any actions which might be economically harmful to one another.

Economic relations and mutual accounts would be developed on the basis of the existing currency unit—the rouble, they said.

But they would introduce national currencies on the basis of special agreements to guarantee the preservation of the economic interests of the three, the statement read.

Moreover, they would make joint efforts to provide for a uniformed economic zone and coordinate external economic activities and customs policies, it added.

Gorbachev Asks Republics for Moscow Food Aid

*OW0612201191 Beijing XINHUA in English
1647 GMT 6 Dec 91*

[Text] Moscow, December 6 (XINHUA)—Soviet President Mikhail Gorbachev today asked for urgent food aid to Moscow to tide over the city's grave food crisis.

In his telegraphs to the leaders of the Ukraine, Byelorussia, Moldova and Kazakhstan, Gorbachev stressed that the capital's reserve of meat, edible oil and sugar could only last for several days.

The demand for bread has risen abruptly, while the city falls short of processing capability, the telegraphs said.

The food shortage is fraught with the danger of social and political turmoil, the telegraphs added.

Recently, the Moscow Municipality warned that the food situation in Moscow has deteriorated to a catastrophic extent.

In order to stop the food drain, the municipality has imposed a stringent check on goods and postal parcels coming in and out of Moscow.

NPC Official Meets Visiting Russian Delegation

*OW0612125491 Beijing XINHUA in English
1209 GMT 6 Dec 91*

[Text] Beijing, December 6 (XINHUA)—Liao Hansheng, vice-chairman of the Chinese National People's Congress (NPC) Standing Committee, met with a delegation from the Committee of International Affairs and Foreign Economic Relations of the Russian Supreme Soviet of the Soviet Union, headed by committee chairman V.P. Lukin, at the Great Hall of the People here this evening.

Following the meeting, Liao hosted a dinner in honor of the delegation.

Yao Guang, vice-chairman of the NPC Foreign Affairs Committee, held talks with Lukin here this afternoon and the two sides exchanged views on issues of common concern in a friendly atmosphere.

The visitors arrived here this morning at the invitation of the NPC Foreign Affairs Committee.

Kazakhstan President Appeals for USSR Unity

*OW0912045291 Beijing XINHUA in English
0404 GMT 9 Dec 91*

[Text] Moscow, December 8 (XINHUA)—President of Kazakhstan Nursultan Abishevich Nazarbayev said today the Soviet Union should not be allowed to disintegrate.

"I have believed from the very beginning till now that (we) should not disintegrate our country at the most difficult time," he said.

Nazarbayev made the remarks upon arriving at Moscow airport, Soviet central television reported.

He is in Moscow to attend the so-called "Four Plus One" (Russia, Belorussia, Ukraine, Kazakhstan and Soviet President Mikhail Gorbachev) talks on the Soviet Union's future.

"If we cannot reach any agreement," Nazarbayev said, "I will feel sorry".

Observers here noted the Kazakh leader held a different attitude toward the Soviet Union from that of the leaders of Russia, Belorussia and Ukraine.

The three Slavic republics today signed an agreement on establishing a union of independent states.

The three said they believed the Soviet Union had now ceased to exist as a subject under international law and a geographical and political entity.

Heilongjiang Official Meets Soviet Delegations

Receives Lipetsk Oblast Group

SK0912085291 Harbin HEILONGJIANG RIBAO
in Chinese 1 Nov 91 p 1

[By Reporter Wang Nanyan (3769 2809 3601): "Du Xianzhong Meets With Soviet Guests"]

[Text] On the evening of 31 October in Harbin, Du Xianzhong, vice governor of the provincial government, met with and feted a trade delegation from the Soviet Union's Lipetsk Oblast.

Vice Governor Du Xianzhong expressed welcome to the delegation headed by (Telatrov), vice chairman of the oblast Soviet Executive Committee. He said: The principal leaders on both sides are in contacts with one another more frequently and are more familiar with one another, and this is conducive to greatly promoting the development of trade relations. From now on, we will further extensively develop the economic cooperative ties between Heilongjiang Province and Lipetsk Oblast. (Telatrov) introduced the delegation's achievements in holding trade talks with the Heilongjiang Provincial commercial and trade center. He said: We made a good start. The oblast has rich natural resources and a well-developed vehicle manufacturing industry. So, we can develop barter trade with Heilongjiang. I believe that both sides will make valuable achievements through this cooperation.

It was reported that the delegation signed barter trade agreements with the provincial commercial and trade center on the import and export of 15 million Swiss Francs worth of goods. Through consultation, both sides also decided to jointly invest 500,000 Swiss Francs to build a clothing factory in the oblast.

Meets Kazakh Trade Delegation

SK1012082791 Harbin HEILONGJIANG RIBAO
in Chinese 3 Nov 91 p 1

[By Reporter Yang Tianzhuo (2799 1131 4192): "Du Xianzhong Meets With Guests From the Kazakh Soviet Socialist Republic of the Soviet Union"]

[Text] At noon on 2 November in Harbin, Du Xianzhong, vice governor of the provincial government, met with a four-member delegation from the Kazakh Soviet Socialist Republic of the Soviet Union, headed by (Buhalin).

On behalf of the provincial government, Du Xianzhong expressed welcome to the delegation on its first visit to our province. He said: The Sino-Soviet border trade has rapidly developed over the past years. Now, our trade partners are not confined to the Far East Area, but

extend to the interior of the Soviet Union. Now, the Kazakh Soviet Socialist Republic has become one of our trade partners. This is a gratifying situation. He said: As long as both sides are sincere, I believe that there will be wide spheres of economic cooperation and trade contacts.

(Buhalin), head of the delegation, said that China is rich in commodities, and we gasped with admiration at this. We are very interested in developing economic and trade cooperation with China.

At the invitation of Chen Qifan, general manager of the provincial industrial and commercial trade import-and-export corporation, the delegation arrived in Harbin on 1 November to hold trade and economic cooperation talks.

Meets Dzhabul Trade Group

SK1012022691 Harbin HEILONGJIANG RIBAO
in Chinese 29 Oct 91 p 1

[By reporter Liu Rongsheng (0491 2837 0581): "Du Xianzhong Meets With Foreign Trade Delegation From Dzhabul Region of the Soviet Union"]

[Text] On the evening of 28 October in Harbin, Du Xianzhong, vice governor of the provincial government, cordially met with the Dzhabul Regional Foreign Trade Association delegation from the Kazakh Soviet Socialist Republic of the Soviet Union and expressed his warm welcome to it.

The six-member delegation, headed by (Suokelisiji), arrived in Harbin on 25 October at the invitation of the Hainan Economic and Trade Corporation of Heilongjiang Province.

Du Xianzhong pointed out: Over the past years, China and the Soviet Union have rapidly developed their trade ties. Each side, with different advantages, has extremely large prospects for learning from the other's strong points to offset its weaknesses.

The delegation and the Hainan Economic and Trade Corporation of Heilongjiang Province signed a contract on exporting chemical fertilizer and steel products to our province and a contract on cooperating in installing air conditioners, processing daily chemical industrial products and beet dregs, and installing farm machinery.

Heilongjiang Develops Trade With Soviet Union

SK0912075591 Harbin HEILONGJIANG RIBAO
in Chinese 22 Oct 91 p 1

[By reporter Jian Dianchang (5592 0368 2490): "The Provincial Industrial and Commercial Trade Import-and-Export Corporation Makes Gratifying Achievements in Developing Spot Exchange Trade With the Soviet Union"]

[Summary] This year, the provincial industrial and commercial trade import-and-export corporation signed contracts on exporting \$5 million worth of goods through spot exchange trade with the Soviet traders.

At a sales exhibition sponsored by a Soviet company last July, the provincial industrial and commercial trade import-and-export corporation competed with the travelling traders from the United States, Great Britain, Switzerland, and South Korea and signed contracts on the export of \$3.2 million worth of goods through spot exchange trade with the Soviet Union.

Tongjiang City Develops Trade With Soviet Union

SK0612145991 Harbin HEILONGJIANG RIBAO
in Chinese 22 Oct 91 p 1

[Text] The Tongjiang City party committee and government have been fostering the concept of being a large port city; have persisted in following the principle of cooperative development, mutual benefits, and long-term interests; and have been promoting the development of economic and trade ties with the Soviet Union.

The number of external liaison units have risen from 26 in 1990 to 81. In the first eight months of this year, over 3 million Swiss Francs worth of goods were exported and imported to and from the city, an increase of 500 percent over last year's figures. As a result, the Tongjiang City Border Trade Company successfully turned deficits into profits.

The city successively established economic and trade relations with five Union Republics, 16 oblasts, and over 110 enterprises and traders in the Soviet Union. The economic and trade relations have developed in the forms of spot exchange trade, compensation trade, technological cooperation, labor service exports, and tourist trade.

Xinjiang-Soviet Border Trade Rapidly Increasing

HK0912090491 Hong Kong TA KUNG PAO
in Chinese 2 Dec 91 p 2

[Article: "Xinjiang Registers Record High in Livestock Exports to Soviet Union This Year"]

[Text] According to news from Urumqi, since the change in the Soviet political situation, many federated republics have enjoyed autonomy in issuing export licenses and selling commodities, thus bringing about new opportunities for expanding trade, economic, and technological cooperation with the Central Asian region of the Soviet Union.

As revealed, local and border trade between Xinjiang and the Soviet Union has developed this year. By the end of October, import and export contracts signed with the Soviet Union amounted to 640 million Swiss francs. From 23 September to 15 November, the Xinjiang Animal Husbandry, Industrial, and Commercial Corporation exported 3,000 head of livestock to the Soviet

Union every day, totaling more than 140,000 head, a record high for Xinjiang's livestock exports. In October, Kazakhstan sent four purchasing teams comprising 120 people to Xinjiang's Yining every day. From four markets in the city, they bought commodities worth \$45,000 every day. The Soviet side asked Xinjiang to allow the number of the purchasing teams to increase from four to nine every day. From November this year to April next year, Xinjiang will export 300 million jin of corn to Kazakhstan. In 1992, it will export 300,000 head of livestock, 1 million tonnes of corn, and a large quantity of oil products to Kazakhstan. It will also build Yining City into a purchasing center of Central Asia.

To cope with the new situation of trade with the Soviet Union, particularly with the tremendous market demand by the Soviet Union after an international railway starts operating from north Xinjiang in 1992, the Xinjiang Autonomous Regional Government decided in November to "open wider to the outside world." This decision called for a new peak in trade with the Soviet Union. An important point at present is to implement the contracts which have been signed this year and to make every possible effort to increase freight at major ports. Railway freight at the Ala Shan port has been planned at 25 carloads each day this year and will be increased to 80 in the first half of next year. During this winter and next spring, Xinjiang will send more economic and trade delegations and teams to different republics in the central Asian Soviet Union to sign more contracts and sell more grain, sugar, cooking oil, as well as light industrial and textile products. Xinjiang will approve 32 border counties, cities, as well as relevant industrial, commercial, sales, and grain departments to carry out trade with the Soviet Union and import commodities and designated quantities of chemical fertilizers. It will provide flexible policies for border areas to carry out local and border trade and sell commodities to other parts of the country. Now preparations are being made for border trade discussions with the Soviet Union in the spring and autumn of 1992.

Harbin Signs Contract To Sell Soviet Machinery

SK0412151091 Harbin Heilongjiang People's Radio
Network in Mandarin 2200 GMT 3 Dec 91

[Text] The import and export company under the Harbin Electronics Industrial Enterprise Association and the (Wulaer) Heavy-Duty Machinery Plant of the Soviet Union signed a contract in Harbin recently.

During the First Five-Year Plan period, the (Wulaer) Heavy-Duty Machinery Plant gave support to the No. 1 heavy-duty machinery plant in China. With a long history and advanced technology, this well-equipped Soviet plant produces and manufactures eight major categories of products, such as mining and excavation products. This is the largest heavy-duty machinery plant in the Soviet Union and it also enjoys a good reputation in Europe and Asia.

According to the contract, the Harbin Electronics Industrial Enterprise Association will sell the plant's pressing equipment, forging presses, continuous casting machines, and spare parts in China on a commissioned basis.

Soviet Shipping Company Pays Damages to Shandong
SK3011032391 Jinan Shandong People's Radio Network in Mandarin 2300 GMT 29 Nov 91

[Text] Not long ago, a freighter owned by the (Heihai) shipping company of the Soviet Union, squeezed into the (Luhaibo) No. 301 berth while trying to get near the berths of Longkou harbor of Shandong Province, causing more than 600,000 yuan in losses to the Chinese side.

After receiving the letter asking for compensation from the (Xiaojinhe) Shipping Bureau of Shandong Province, the Qingdao maritime court legally detained the Soviet freighter and asked for damages worth \$110,000.

According to the Qingdao maritime court on 26 November, the Soviet side paid for the losses, and the order to detain the Soviet freighter has been lifted.

Friendship Association Hosts Russian Flight Team
OW3011150791 Beijing XINHUA in English 1409 GMT 30 Nov 91

[Text] Beijing, November 30 (XINHUA)—A good-will flight team from the Russian Federative Republic of the Soviet Union was entertained at a banquet hosted here today by the Chinese People's Association for Friendship With Foreign Countries (CPAFFC) and the Sino-Soviet Friendship Association.

Han Xu, CPAFFC president said in his toast that the Chinese people and the people of the Soviet Union have a traditional friendship, and the two countries should maintain and develop good-neighborly relations on the basis of the Five Principles of Peaceful Co-Existence.

Soviet Ambassador to China N.N. Solovyev attended the banquet.

Northeast Asia

Tian Jiyun, Japan's Watanabe Discuss Relations
OW0812043391 Beijing Radio Beijing in Japanese 0930 GMT 6 Dec 91

[Text] Radio Beijing's Tokyo correspondent has reported that Japanese Deputy Prime Minister and Foreign Minister Michio Watanabe met Chinese Vice Premier Tian Jiyun on the evening of 5 December and discussed the preferred Sino-Japanese relations.

At the meeting, Deputy Prime Minister Watanabe highly rated China's policy of reform and opening, noting that the nation's agricultural and industrial output is showing

a favorable turn as the result of efforts by the government and China's 1.1 billion people. He also noted that Sino-Japanese relations comprise one of important pillars of Japan's foreign policy and that the promotion of bilateral exchanges at all levels is conducive to peace and development in the Asian-Pacific region. He said that all of Japan will celebrate the 20th anniversary of the restoration of diplomatic relations between the two nations and that next year will be an excellent chance to boost their bilateral ties. Deputy Prime Minister Watanabe thereby expressed his hope that the two nations will make joint efforts to promote bilateral ties that will contribute to the international community.

In reply, Vice Premier Tian Jiyun repeatedly stressed the Chinese Government's stance to attach great importance to the promotion of relations with Japan. He added that China and Japan can support each other in their own fields, and this will have a positive effect on the development of both nations, Asia, and even on the whole world. He said that he hopes the 20th anniversary will serve as a chance to upgrade bilateral friendship and cooperation in various fields.

Japanese Trading Company Opens Shanghai Office
OW1012033991 Beijing XINHUA in English 0043 GMT 10 Dec 91

[Text] Shanghai, December 10 (XINHUA)—An office set up by a Japanese company opened for business on Monday in Shanghai, China's largest industrial city.

This is the second office set up by the Konoika Transportation Co. Ltd in China. The first one is in Beijing.

The Shanghai office will mainly engage in transporting foreign trade commodities of Shanghai and provinces in southern China and promoting container transportation between China and Japan.

Japanese Prefecture To Meet on Rural Enterprises
OW1012054891 Beijing XINHUA in English 0459 GMT 10 Dec 91

[Text] Oita, Japan, December 10 (XINHUA)—Japan's Oita Prefecture plans to hold a forum with China next year to exchange their respective experience in the development of rural enterprises, a Japanese official said.

The villages in the Oita Prefecture and the Chinese rural enterprises should learn from each other's successful experience and use it to develop their local economy, said Morihiro Hiramatsu, the governor of Oita Prefecture at a news briefing here on Monday.

The mountainous Oita Prefecture lies in the northeast of Kyushu Island, a relatively less developed area in Japan.

More than a decade ago, a great number of young people in the villages left for big cities to look for jobs after they were tired of hard work and low pay at home.

In 1979, when Haramatsu was elected the prefecture governor, he initiated "one village, one product" campaign to encourage each village to turn out a special product like fishes, woods and other agricultural products in order to boost the local economy.

The campaign of "one village, one product" is rather similar to the Chinese drive to develop rural enterprises in both the traditional agriculture and modern industry.

Meanwhile, he also tried to bring in investment from the big cities in high-tech enterprises like the electronic factory to absorb the surplus labor.

Now a family in the villages earns an average yearly income of 5 million yen (around 40,000 U.S. dollars), almost doubling that of 10 years ago. The labor-drain tide has been stopped.

Although the income is still much lower than the 8 million yen (about 63,500 U.S. dollars) for an ordinary Tokyo family, it represents a rather remarkable progress considering the poor economic basis of the past.

Chinese Vice Premier Tian Jiyun, who is now visiting Japan, toured village enterprises in the prefecture in 1987 and inscribed in the guest signature book "one village, one product is the way to get rich," according to Haramatsu.

Japanese Joint Venture Wins Lawsuit in Shanghai

*OW1012105291 Beijing XINHUA in English
1034 GMT 10 Dec 91*

[Text] Shanghai, December 10 (XINHUA)—An attention-catching lawsuit—a Chinese citizen accusing a Sino-Japanese joint-venture for its product quality—was judged yesterday afternoon in the people's court of Minhang district in Shanghai.

Zhou Liangwen, the plaintiff, lost due to insufficient evidence for his accusation, and the reputation of the Shanghai Swallow Cosmetics Co. Ltd. (SSCC) was protected.

After the announcement of the judgement, Shinji Arai, general-manager of the Japanese side of the SSCC, said that the four-month lawsuit finally had a result, this proves that the Chinese court lays stress on evidence, and its judgement is quite fair.

He said that he believed that the reputation of famous-brand foreign products can be well protected in Shanghai.

Presiding judge Sun Changnan said that the Chinese law is fair and just and all lawful rights and interests should be protected.

The case took place in the first season of this year. Zhou Liangwen, 37, a staff member of the Shanghai Baoshan Communications Company, claimed that on March 22, he used cosmetics products of the SSCC when bathing, and began to lose his hair gradually. In less than 20 days he lost all of his hair.

Thereafter he had to wear sunglasses and a wig, and mentally he suffered a lot. Because of this he demanded the SSCC to compensate him 5,000 yuan.

The SSCC made investigations and believed that, with decades of production history, "Swallow" products had never caused hair loss. Zhou did not have enough evidence to prove that his hair loss is related with the "Swallow" products, and the compensation should not be paid.

Due to the divergence of opinions, Zhou made a complaint to the court on July 22.

The Minhang district court paid special attention to the case. They made careful investigations of all related aspects, and invited Shanghai's most authoritative medical experts to examine reasons for Zhou's hair loss.

At last the expert group determined that Zhou's hair loss is a kind of natural illness and it had no direct relation with the use of 'Swallow' products.

Meanwhile, tests of medical materials showed that there was no harmful element in the cosmetics used by Zhou. The court made mediations between the two sides in vain. So the judgement was made: The demand for compensation by the plaintiff could not be supported, the plaintiff is responsible for all the costs in the case.

Zhou refused to accept the judgement and said he will appeal to higher courts.

DPRK President Meets Friendship Association

*OW0712181391 Beijing XINHUA in English
1442 GMT 7 Dec 91*

[Text] Pyongyang, December 7 (XINHUA)—President Kim Il-song of the Democratic People's Republic of Korea today met visiting Vice President of the China-Korea Friendship Association, Gan Yietao, and his party.

Kim Il-song, general secretary of the Central Committee of Workers' Party of Korea, extended a warm welcome to Tao's party.

He said closer ties were developed between the two countries when, not long ago, he visited China and was warmly received by the Chinese people and party leaders.

Gan, once a charge d'affaires ad interim at the Chinese Embassy in Korea in the 1950s, arrived in Korea on December 3.

CPC's Ding Guangen Meets DPRK Visitors

*OW0912103091 Beijing XINHUA in English
1009 GMT 09 Dec 91*

[Text] Beijing, December 9 (XINHUA)—Ding Guangen, alternate member of the Political Bureau of the

Chinese Communist Party Central Committee, met with a goodwill delegation from the Korean Workers' Party here this afternoon.

The delegation is led by an Mun Hen, a deputy department director of the Korean Workers' Party Central Committee.

Since they arrived here November 26, the visitors from the Democratic People's Republic of Korea (DPRK) have toured Shanghai, Nanjing, Wuxi and Guangzhou.

Du Xianzhong Meets DPRK Investigation Group

SK0712065391 Harbin Heilongjiang People's Radio Network in Mandarin 2200 GMT 6 Dec 91

[Text] On the evening of 6 December Vice Governor Du Xianzhong met with the mining industrial investigation group from North Hamgyong Province, the DPRK, at Hepingcun Guesthouse. This five-member mining industrial investigation group was invited by our provincial Metallurgical Department to investigate and to hold trade talks.

Vice Governor Du Xianzhong welcomed the Korean comrades on behalf of the provincial government. He said: Over the past few years, our province has developed more friendly contacts and unceasingly strengthened cooperation in various aspects with North Hamgyong Province in the DPRK. It is hoped that this visit by the Korean comrades from North Hamgyong Province will strengthen cooperation and friendship.

Ko Hak-chin, general manager of the (Moushan) mining integrated enterprise company of North Hamgyong Province, DPRK, indicated that he was satisfied with the metallurgical cooperation with our province. He also hoped that cooperative trade relations between both sides would be strengthened further.

Responsible comrades of the provincial Metallurgical Department and the provincial Foreign Affairs Office also participated in the meeting on the evening of 6 December.

Guizhou Secretary Meets Visiting DPRK Envoy

HK1012133291 Guiyang Guizhou People's Radio Network in Mandarin 2300 GMT 5 Dec 91

[Text] Yesterday afternoon, provincial party committee Secretary Liu Zhengwei cordially met with Korean Ambassador to China Chu Chang-chun, Third Secretary Kim Chang-jun of the Korean Embassy in China, and their entourage, who had arrived in our province for a visit.

Wang Siqi, provincial party committee standing committee member and secretary general, Chang Zheng, provincial party committee propaganda department director, Zhang Jiabin, provincial foreign affairs office

director, Deng Hongtai, provincial party committee deputy secretary general, and others were present during the meeting.

The meeting was permeated with a comradely, cordial, and friendly atmosphere. Ambassador Chu gladly said: Though this is my first time visiting Guizhou, I have a deep impression that it has made tremendous achievements in construction under the guidance of the correct CPC line, principles, and policies. Guizhou also promises great potential for further development.

Liu Zhengwei extended a whole-hearted welcome to Ambassador Chu and happily mentioned the good impression he received, as well as the deep-rooted feelings and friendship between the CPC and the KWP [Korean Workers Party] and between the Chinese people and the Korean people, which he personally experienced during his visit to Korea many years before.

Liu Zhengwei also briefed the Korean guests on Guizhou's resources, economic development, and reform and opening up to the outside world. He told Ambassador Chu: Fundamental changes have taken place in Guizhou since liberation, especially since the Third Plenary Session of the 11th Party Central Committee. The broad masses of people have been convinced through their own practice that the party's basic line is completely correct. We believe that we have taken a correct road. No matter what difficulties and storms we might come across in the future, we will unwaveringly continue to advance along the road of building socialism with salient Chinese characteristics.

In the evening, Liu Zhengwei hosted a banquet in honor of the Korean guests. Liu also accompanied Ambassador Chu and his entourage in attending an evening party at which a documentary movie depicting Korean President Kim Il-sung's recent visit to China was shown.

Provincial party, government, and military leaders, including Su Gang, Wang Siqi, Zhou Yansong, Zhong Liming, and others, also attended the evening party.

Southeast Asia & Pacific

Sihanouk Urges Factions To Follow Peace Accords

OW1012091891 Beijing XINHUA in English
0827 GMT 10 Dec 91

[Text] Phnom Penh, 10 December (XINHUA)—Chairman Norodom Sihanouk of the Supreme National Committee of Cambodia has called on Cambodia's four factions to faithfully carry out the peace accord of Paris on the Cambodia issue.

He made the appeal on Monday while inspecting Kompong [word indistinct], the third largest city of Cambodia.

Sihanouk said the four factions should be loyal to their motherland, and put the interests and the survival of the nation before their own.

Meanwhile, he appealed to the four parties to remain sensible in order to completely and thoroughly fulfill the peace plan adopted in Paris on October 2.

He continued that Cambodia, impoverished by the prolonged fighting, now needs sacrifices by its people as well as foreign assistance for its reconstruction.

But Cambodia was an independent sovereign state will in no way tolerate any foreign interference in its internal affairs, he noted. It is open to foreign aid that does not entail interference but aim only to help Cambodia achieve peace, progress and development. "Sihanouk announced he will participate in the 1993 general elections. He said he just wants to be the head of state and will take no part in the work of the cabinet and government if elected." He asked the future cabinet not to delegate any power to the head of state, who will serve as symbol of independence and neutrality of the country, like king of Thailand and queen of the United Kingdom.

Vietnam Affirms Communist Party Leadership

OW0912091391 Beijing XINHUA in English
0847 GMT 09 Dec 91

[Text] Hanoi, December 9 (XINHUA)—Vietnamese Communist Party General Secretary Do Muoi stressed that the leadership of the communist party is a necessary requirement for a socialist country.

This is a very important view of Marxism-Leninism and Ho Chi Minh Thought, the Vietnamese leader said at the just ended Second Plenum of the party's Seventh Central Committee, which centered on the reform of state organs.

Vietnamese newspapers carried Muoi's speech today.

Muoi pointed out that "the amendment of constitution and reform of state organs are not at all designed to change our political system and the nature of our nation, but to enhance the ability of the country to govern society, to promote socialist democracy, and to strengthen socialist legal system."

Once the party slackens its leadership, the general secretary warned, hostile forces would seek the chance to seize political power from the communist party.

XINHUA: Vietnam Still 'Plagued' by Problems

OW1012111891 Beijing XINHUA in English
1047 GMT 10 Dec 91

[Text] Hanoi, December 10 (XINHUA)—The year of 1991 has seen Vietnam still plagued by high inflation, rising prices of gold and the U.S. dollar, increasing unemployment and high population growth despite some progress in stabilising the domestic situation.

Vo Van Kiet, chairman of the Council of Ministers said today corrupt practices such as extortion, smuggling, production of sham goods and making illegal money have not been effectively curbed.

He was addressing the 10th conference of the 8th Vietnamese National Assembly.

The official told the delegates that such malpractices have mainly resulted from the deficiencies found in the policies in the macro-administration of the state, particularly in the field of finance.

He called on the people to grasp many of the emerging opportunities and make every effort to win foreign investment and technology transfer.

The chairman also proposed some concrete ideas for solving economic and social problems in the next year with the emphasis on a reform of the country's fiscal budget.

Paper Profiles Burmese Nobel Peace Prize Winner

HK0912074691 Beijing NONGMIN RIBAO in Chinese
16 Nov 91 p 7

[Profile by Wang Jianhua (3769 0256 5478): "Aung San Suu Kyi, Winner of 1991 Nobel Peace Prize"]

[Text] On 14 October, the Nobel Peace Prize Appraisal Committee announced its decision to issue the 1991 Nobel Peace Prize to Burmese opposition leader Aung San Suu Kyi. She is the eighth female winner of Nobel Peace Prize since its establishment in 1901 and the first Burmese who has ever received such an honor.

Born into a famous anti-British family in Rangoon on 19 July, 1945, Suu Kyi was nurtured in the family's patriotic spirit from her earliest childhood. Her father, General Aung San, was Burma's renowned national hero who fought his entire life for Burma's independence and suffered all kinds of hardships. In January 1947, General Aung San personally went to London to negotiate with then British Prime Minister Clement Attlee and signed a treaty on Burma's independence, thus bringing true the century-long dream of the Burmese people. He was assassinated, however, by his political rival in Burma in July 1949, at the age of only 33.

Suu Kyi, who was only two years old when her father was assassinated, has nothing but the dimmest recollections of her father, yet she has inherited her father's inexhaustible pursuit of ideals, candid character, and lofty dignity. Since the 1960's, when her mother took the post of Burmese ambassador to India, Suu Kyi began to receive education overseas. She went to middle school in India, studied for some time in Kyoto University, Japan, and then went to Oxford University and obtained degrees in philosophy, political science, and economics. After graduation, she found a job in the Secretariat of the United Nations. During her days in Oxford, Suu Kyi met a shy British young man Michael Aris. As a Westerner, Aris

was fond of the Oriental culture, and specialized in Tibetan and Himalayas culture. This interest brought the pair together, and their marriage proved to be a happy one. Sometimes, when Aris was not used to the Oriental food prepared by his wife, Suu Kyi would make fun of him, asking him why, being a scholar on the Oriental culture, he did not know that food was also a culture in the Orient. This couple of Oriental-Western combination have two sons, whose names are also a combination of Oriental and Western cultures: Their elder son has a typical Western name, Alexander, while the younger one has traditional Burmese name, Kim.

Beside her father, Suu Kyi admires most Mohandas Karamchand Gandhi for his great personality. She became interested in Gandhi's philosophy of nonviolence long ago. At first, Suu Kyi had no intention to plunge herself into politics, and told people that she wanted to be a writer, but politics soon called on her. In 1988, immediately after learning that her mother had suffered a severe stroke, she put aside her research on the Orient and Africa in London and went back to Rangoon to take care of her mother. It so happened that students' anti-government movements broke out after her return to Burma, and Suu Kyi involuntarily got involved. Because of her father's fame, Suu Kyi very soon became the opposition leader. In July 1989, Suu Kyi was put under house arrest by the Burmese authorities. During her house arrest, Suu Kyi spent most of her time pondering the future of her motherland. Suu Kyi warned her husband, a visiting professor at Harvard University, not to be involved in Burma's politics, because it is the business of the Burmese. In order to support herself, she would rather sell her treasured piano than receive donations from others. This is why people call her "a beacon in the dark night, the hope of the country."

Australian Trade Minister Reviews Talks' Results

OW0912040691 Beijing XINHUA in English
0249 GMT 9 Dec 91

[Text] Canberra, December 9 (XINHUA)—Australian trade and investment with China is likely to increase following the fifth Australia-China joint ministerial economic commission meeting, Trade Minister Neal Blewett said Sunday.

One result of the meeting, held here Saturday, was an agreement for negotiations to begin on long-term supply contracts to China for wheat, iron ore, coking coal and manganese, Blewett said.

The minister said in a statement that bilateral trade between the two countries was valued at 2.8 billion Australian dollars (2.2 billion U.S. dollars) last year.

Blewett said it was significant that the meeting, attended by China's Foreign Economic Relations and Trade Minister Li Lanqing, agreed to look beyond concessional finance arrangements and examine projects which could be financed by export credits or commercial loans.

"This could result in many worthwhile projects that might otherwise never get off the ground," the minister said.

He said, "I am pleased also that the Chinese Government agreed where possible to begin negotiating long-term supply contracts for wheat, iron ore, coking coal and manganese and to examine prospects for such contracts for wood and pulp."

"Long-term contracts would contribute significantly to the stability and development of Australia's commodity export to China," Blewett added.

Meanwhile, China identified cables, non-ferrous metals, leather, textile industries and aerospace as areas in which it would seek long-term cooperation with Australia.

The meeting also agreed to a joint government study on iron and steel that two of China's major investment in Australia were in the Channar iron ore mine in western Australia and the Portland aluminium smelter in Victoria. [sentence as received]

Blewett noted that the participation, for the first time, of Australian private sector companies and Chinese trading establishments in the process of the commission had been valuable because it added a strong commercial focus to the discussions.

Near East & South Asia

Li Peng Greet Opening of Islamic Summit

OW0912104991 Beijing XINHUA Domestic Service
in Chinese 0230 GMT 9 Dec 91

[Text] Dakar, 9 Dec (XINHUA)—Premier Li Peng today sent the sixth summit meeting of the Organization of Islamic Conference [OIC] a cable message in which he extended his warm greetings to the meeting. The full text of the message follows: The sixth summit meeting of the Organization of Islamic Conference, Dakar:

On the occasion of the convocation of the sixth summit meeting of the Organization of Islamic Conference, I hereby extend my warm congratulations on behalf of the Chinese Government and people.

Since its founding, the Organization of Islamic Conference has made important achievements in promoting unity and cooperation among Islamic nations, protecting their rights and interests, supporting the just cause of the Arab and Palestinian people, and safeguarding world peace. These achievements are deeply admired by the Chinese Government. I wholeheartedly hope that the meeting will make new contributions to further strengthening unity and cooperation among Islamic nations and people, as well as to world peace and development. I also wish the meeting great success.

[Signed] Li Peng, Premier of the State Council of the People's Republic of China

9 December 1991, Beijing

Delegates Continue 'To Bicker'

OW0912063491 Beijing XINHUA in English
0613 GMT 9 Dec 91

["OIC Faces Tough Summit Agenda"—XINHUA headline]

[Text] Dakar, December 8 (XINHUA)—Arab delegates continued to bicker at the three-day old ministerial meeting of the pan-Islamic conference this afternoon in a dispute which did not bode well for the full Islamic summit which opens Monday.

The aftermath of the Gulf crisis has topped the agenda here and again promises to be the main focus of attention when the 45 member Organization of Islamic Conference (OIC) opens its sixth summit Monday, observers said.

During preparatory meetings for the OIC summit, Kuwait chastised Iraq's invasion in August last year, calling on Baghdad to implement United Nations resolutions. The emirate also urged the OIC to adopt a draft resolution to this effect, conference sources said.

Disagreement between delegates has focused on the wording of conference resolutions, the sources said.

This has led to Iraq announcing it would boycott the summit which it feels is set to serve the purposes of the United States.

Sources said Sudan, Pakistan, Mauritania, Mali and Lebanon favored toning down anti-Iraq condemnation.

"The conference should let the United Nations pursue its own efforts with Iraq," they are quoted as saying.

A second item which looks set to dominate the agenda is the Arab-Israeli conflict.

During initial debates, Egypt, which firmly supports the U.S.-sponsored Arab-Israeli talks, has called for a conciliatory approach to the bilateral talks in Washington.

Iranian Foreign Minister 'Ali Akbar Velayati attacked the talks for ignoring the Palestinians' right to self-determination and the establishment of an independent state.

But the talks are generally considered a good thing here since Arabs and Israelis are finally sitting down together and turning confrontation into dialogue.

At the ministerial meeting, Syria played tough, saying it wanted a resolution condemning Israel as racist.

Damascus is bent on recovering the Golan Heights captured by Israel during the 1967 Middle East war.

It is also looking for Israel to return other occupied Arab territories and has condemned Tel Aviv for its intransigent refusal to exchange land for peace.

Syria's demand for the resolution has put itself in direct confrontation with the United States which is trying to promote the cancellation of the 1975 U.N. resolution equating Zionism with racism, observers said.

Palestine Liberation Organization (PLO) delegate Faruq al-Qaddumi has expressed impatience with the prolonged debate.

"It is time to stop mouthing pretty phrases and come up with material resources, that is money, to support the uprising," he said.

Following PLO support for Iraq during the Gulf crisis, the oil-rich Gulf states stopped economic aid to the organization, indirectly affecting the four-year-long Palestinian uprising against Israel rule along the West Bank and Gaza Strip.

Saudi Arabia alone had granted the PLO 1.2 billion U.S. dollars over the past decade.

Meanwhile, it is reported that only 26 heads of state and government will attend the OIC summit.

Top leaders from Saudi Arabia, Kuwait, Egypt, Morocco, Syria and Mauritania will all be absent, sources said.

Since Islamic states differ on how to treat Iraq at the summit, people here maintain some Islamic leaders want to avoid facing an awkward stand-off by staying away altogether.

Rao Terms Li Peng Visit 'Important Milestone'

OW1012023791 Beijing XINHUA in English
0134 GMT 10 Dec 91

[Text] New Delhi, December 9 (XINHUA)—Indian Prime Minister P.V. Narasimha Rao said today that the forthcoming visit of Chinese Premier Li Peng will be an "important milestone" in the relations between India and China.

He made the remarks in an interview with XINHUA on the eve of Li's five-day official goodwill visit to India starting Wednesday.

There has been a marked improvement in the bilateral relations since the visit of late Indian Prime Minister Rajiv Gandhi to China in December 1988, Rao noted.

He said that he is sure that Li's visit will give new impetus to the further improvement of the relations.

The momentum of the growth of the relations has been maintained through regular high level political exchanges, the Indian prime minister said, adding through these exchanges the two countries have deepened their understanding of each other's position.

The Indian Government is committed to the further improvement of the bilateral relations and to the

strengthening of dialogue, cooperation and understanding between the two countries in all fields, Rao pointed out.

Turning on the new world order, he said that the world is facing the challenge of creating an equitable and just world order.

"If a restructured framework for international relations is to be realized, it must address the interests of all and be accepted by all," Rao added.

He stressed that it should primarily concentrate on development of developing countries, calling for joint international endeavor to deal with "a lot of difficulties" in building a new world order.

"We have inherited a highly unequal world," Rao pointed out, noting that after the colonization ended, the differences between the old colonial powers and the colonized countries in the economic and other fields still exist.

The prime minister welcomed the recent changes in the international situation including the replacement of confrontation and strife with dialogue, peace and cooperation and the resolution of many long standing crises.

"Our common goal must be to establish a human society based on social, economic, and political justice for all countries through dialogue and cooperation," he said.

"The use of force or threat of use of force in any form through armed might, terrorism or violence must be abjured," he said.

Replying to a question on the tendency of linking the issue of democracy and human rights with economic assistance, the prime minister said that any emphasis on human rights should not be detrimental to development.

India does not favor any linkage between democracy and human rights on the one hand and economic assistance on the other.

"That does not mean that we do not attach importance. In fact, we do attach importance to human rights or democracy in this country," he said.

Asked for comments on the role of the Non-Aligned Movement (NAM), the Indian prime minister said NAM is very essential in organizing the developing world, not in the spirit of confrontation, but for the task of a very elaborate dialogue of the developing world.

The essence of NAM has all along been the spirit of independence, he said, noting it has been trying not to becoming "bombers in the games of the powerful blocks."

Now, the Indian prime minister continued, NAM has a new task—to organize, to represent and to identify the movement in the interests of the developing countries.

'Complete Restoration' of Ties Seen

HK1012045891 Hong Kong AFP in English 0414 GMT
10 Dec 91

[Text] Beijing, Dec 10 (AFP)—Premier Li Peng's visit to India from Wednesday, the first by a Chinese head of government in three decades, is set to mark the complete restoration of bilateral relations between the two Asian giants.

Li's week-long trip also represents—in an international climate regarded as "volatile" by Beijing—the high point in a year that has seen China endeavour to establish itself as the major power in Asia.

This new step in Sino-Indian relations is expected to witness the signing of a series of accords, notably on border trade and the opening of consulates in Bombay and Shanghai, diplomats said.

The development of bilateral trade, currently valued at 80 million dollars, will mainly be discussed in meetings between Li and his host, Prime Minister P.V. Narasimha Rao.

Li is being accompanied by his trade minister, Li Lan-qing.

Relations between the world's two most populous nations were broken off for 14 years following a brief but bloody border war in 1962 that pushed India into the arms of the Soviet Union.

Li, who will only stay in New Delhi, is the first Chinese head of government to visit India since Zhou Enlai in 1960.

His visit returns that of Indian premier Rajiv Gandhi, the principal architect of the resumption of high-level bilateral relations, who came to Beijing in December 1988.

Li's trip was prepared for by the visit here in February of Indian Foreign Minister Vidya Charan Shukla who, with his Chinese counterpart Qian Qichen, presides over a joint working group on border issues.

High-level military discussions have been taking place for a year, diplomats say, and the situation has been calm since the last border incidents reported in 1987.

Beijing still refuses, however, to recognise the Mac-Mahon Line—mapped out in 1914 by Britain, then the colonial power in India, to mark the 4,500 kilometer (2,800 mile) border, most of which runs through the Himalayas.

The main dispute is over an Indian-held area of 128,000 square kilometers (49,000 square miles).

For China, whose leaders have been greatly concerned by the breakup of the Soviet Union, Tibetan nationalism remains a crucial issue, linked as it is to the border question.

Li is sure to bring up in discussions the presence in northern India of the Tibetan government-in-exile and residence of Tibet's outspoken spiritual leader, the Dalai Lama.

The Indian authorities arrested 14 Tibetan activists this week and has taken great pains to avoid any incident that might mar Li's visit.

The dissolution of the Soviet Union, which has traditionally had close ties with India, and the subsequent changes in the world's geopolitical map will also be a major talking point at the talks.

The visit will also allow China, which has just normalised relations with Vietnam and played a major role in the Cambodian peace process, to establish its position as the major power broker in Asia.

Cambodia, together with Afghanistan, had been a main bone of contention between New Delhi and Beijing.

Having broken out this year from the isolation imposed after the Tiananmen Square massacre in June 1989, China recently announced its wish to join the Non-Aligned Movement.

Li is expected to put forward China's case for membership to India, which was one of the movement's founding members.

For their part, the Indian leaders are likely to bring up China's role in the Asian arms market, especially regarding India's other neighbours: Pakistan, Bangladesh, Burma, Nepal and Sri Lanka.

S&T Cooperation Protocol Signed With Pakistan

*OW0912142091 Beijing XINHUA in English
1356 GMT 9 Dec 91*

[Text] Islamabad, December 9 (XINHUA)—Pakistan and China signed here today the 11th Protocol on Scientific and Technological Cooperation.

The protocol was signed by Pakistan Minister for Science and Technology Ilahi Bux Sumroo and visiting Chinese Vice Minister for State Science and Technology Commission Chen Zutao on behalf of their respective governments.

Under the protocol, the two countries would conduct study visits and undertake joint research activities in different fields of science and technology and facilitate exchange of science and technology information, documents and data bases.

At the 11th Session of Pakistan-China Joint Committee on Scientific and Technical Cooperation, which is now in progress (December 4-12), the two sides have thoroughly discussed the implementation status of the 10th protocol and finalized the program for scientific and technical cooperation for the next year.

The two sides agreed that the next session of the joint committee will be held in Beijing in 1993.

Space Cooperation Agreement Signed

*OW1012085391 Beijing XINHUA in English
0829 GMT 10 Dec 91*

[Text] Beijing, December 10 (XINHUA)—A Chinese Foreign Ministry spokesman said today [words indistinct] relevant departure from China and Pakistan have signed an agreement on cooperation in the peaceful application of space sciences and technology.

Asked to confirm a report concerning the agreement, the spokesman said that it was learned that on December 9, the Ministry of Aerospace Industry of China and the Space and Upper Atmosphere Research Commission of Pakistan signed an agreement on cooperation in the peaceful applications of aerospace sciences and technology. The agreement stipulates that the two parties shall cooperate in the peaceful applications of space sciences and technology, such as satellite technology and satellite launching service, on the basis of the principles of friendly cooperation, equality and mutual benefit, the spokesman added.

Bangladesh Leader Meets Family Planning Group

*OW0912192991 Beijing XINHUA in English
1418 GMT 9 Dec 91*

[Text] Dhaka, December 9 (XINHUA)—President of Bangladesh Abdur Biswar said here today that both China and Bangladesh are facing the same problem of huge population and they will benefit from exchanging experiences on family control.

He was talking to a six-member Chinese delegation headed by Minister in Charge of the State Family Planning Commission Peng Peiyun here today in his presidential house.

The president said that Bangladesh has made great efforts to reduce the population growth rate and the government expected the population of the country will be limited within 118 million during its fourth Health and Population Project (1991-1993).

Bangladesh now has a population of some 115 million.

The president highly appraised China for its successes in population control and hoped that the cooperation between China and his country on family planning will be further strengthened.

During the talk, the Chinese minister also expressed the hope that China and Bangladesh will support each other, learn from each other and help each other in population control, health, education and all other spheres.

Corporation Repairs Damaged Bridge in Katmandu

OW0912234091 Beijing XINHUA in English
1502 GMT 9 Dec 91

[Text] Katmandu, December 9 (XINHUA)—A Chinese corporation has begun to repair the damaged Bagmati Bridge connecting Nepal's capital of Katmandu and neighboring Lalitpur town.

The 32.4-meter-long bridge, built with Indian aid 24 years ago, was sunk down in mid-September and has caused great inconvenience to the traffic between the two cities.

The China Sichuan Corporation for International Techno-Economic Cooperation plans to lift up the sinking bridge and build new piers with deep foundation to replace the old ones. Sand protection works will be done near the bridge.

Since October 1985, the corporation has completed 18 concrete bridges in western mountainous areas of Nepal, four of them are more than 100 meters long.

Now the corporation is building four bridges in the Kathmandu Valley.

Israeli Cabinet Backs Jerusalem Settlers

OW0812193891 Beijing XINHUA in English
1903 GMT 8 Dec 91

[Text] Cairo, December 8 (XINHUA)—Israel's cabinet today voted to allow Jewish settlers to take over those houses in East Jerusalem they failed to occupy in October, reports reaching here said.

The cabinet decided without discussion that the settlers should be allowed to live in their "homes," subject to Attorney General Yosef Harish's opinion on "their legal rights to the properties."

Some left-wing legislators criticized the cabinet for yielding to Jewish extremists who attempted to sabotage the ongoing peace process.

The cabinet made the decision in dealing with a settlers' suit in connection with police action.

On October 9, dozens of Jewish settlers backed by right-wing legislators moved into six homes in an Arab neighborhood in the heart of Jerusalem in an attempt to lay claim to 26 houses.

Police evacuated the settlers from these houses in the neighborhood of Silwan on the ground that their presence in the Arab district was "disruptive" and endangered public order.

But several were allowed to remain in one of the houses as a compromise while the case was studied.

Silwan is in East Jerusalem, the traditional Arab sector which Israel captured in the 1967 Middle East war and

later annexed as part of its "united capital." Some Arabs maintain they are legal owners of the houses which the settlers claimed were theirs.

The settlers then appealed to the Supreme Court to reverse the police decision, claiming they had deeds to the homes.

The Supreme Court later ruled that the settlers could remain temporarily in the home they seized.

In November, Harish ruled that the police had the right to evacuate the settlers, but the cabinet should decide the security and political aspects of the issue.

Harish is expected to file his legal opinion by December 16 and the Supreme Court would then consider the suit.

About 140,000 Arabs live in East Jerusalem. Some 360,000 Jewish residents live in the west sector and in suburbs built to encircle the Arab areas.

Sub-Saharan Africa

Senegal Prime Minister Meets Education Delegation

OW0812012591 Beijing XINHUA Domestic Service
in Chinese 0633 GMT 7 Dec 91

[By reporter Ou Yucheng (2962 3768 2052)]

[Text] Dakar, 6 December (XINHUA)—Senegalese Prime Minister Habib Thiam met here today with a Chinese education delegation led by Zou Shiyan, vice chairman in charge of the State Education Commission.

During their cordial and friendly conversation, Prime Minister Thiam said: Cooperation between Senegal and China in medicine, agriculture, water conservation work, infrastructural construction, and other fields has yielded very good results. The Dakar Friendship Stadium, which was constructed with Chinese aid, is the pride of the Senegalese. The Africa Cup soccer tournament will be held there in January 1992. The Chinese medical team working in southern Senegal has been working with outstanding results and has been genuinely welcomed by the local people. Prime Minister Thiam expressed the hope that this friendly cooperation will be strengthened and expanded.

Before the delegation's meeting with the Senegalese prime minister, Senegalese National Education Minister Andre Sonko also met the delegation. Minister Sonko said educational cooperation between Senegal and China should be further developed and strengthened to bring relations between the two peoples closer.

Medoune Fall, Senegalese Armed Forces minister, met the delegation after its meeting with the Senegalese prime minister.

The delegation arrived in Senegal on 5 December for a seven-day visit. During its stay in Senegal, the delegation

will hold working talks with responsible officials of the Senegalese Education Ministry and presidents of some academies.

NPC Delegation Meets Kenyan Assembly Speaker
OW0912142891 Beijing XINHUA in English
1358 GMT 9 Dec 91

[Text] Nairobi, December 9 (XINHUA)—China and Kenya reaffirmed today their opposition to power politics in handling world affairs.

During their talks here this morning, Jonathan Ng'eno speaker of the Kenyan National Assembly, and Sun Qimeng, vice-chairman of the Standing Committee of the Chinese National People's Congress (NPC), said that they have attached great importance to developing friendly relations and cooperation between the two countries, and between the NPC of China and the National Assembly of Kenya.

Ng'eno said in the talks that relations between Kenya and China have been deepened "enormously" during the past 10 years and will be further enhanced through the current visit of the NPC delegation led by Sun.

The Chinese delegation arrived here last Friday and is scheduled to leave here for home next Wednesday.

CPC Sends Greetings to SWAPO Congress
OW0712012891 Beijing XINHUA in English
2305 GMT 6 Dec 91

[Text] Windhoek, December 6 (XINHUA)—The Communist Party of China (CPC) this evening extended its congratulations to the South-West African People's Organization (SWAPO) of Namibia on the opening of the SWAPO congress.

The message was read at the congress, which opened here today, by representative of the CPC Jiang Guanhua, deputy head of the International Liaison Department of the CPC Central Committee.

The message from the Central Committee of the CPC says: "On the occasion of the National Congress of SWAPO, we would like, on behalf of the Communist Party of China, to extend our warmest congratulations to you and through you to the entire membership of your organization."

It notes: "Since its founding, the SWAPO led by President (Sam) Nujoma, through overcoming multitude of hardships with unrelenting spirit, have waged long-term and heroic struggles against illegal colonial occupation of Namibia and for national independence, thus winning sympathy and support from the peoples of Namibia, Africa and the world as a whole."

It continues: "As a result, you have won national independence which marks a rebirth of Namibia. The Communist Party of China and Chinese people are overwhelmed with joy to see the success of historic significance won by the heroic Namibian people and SWAPO."

Two years since independence, SWAPO, proceeding from the actual conditions of Namibia, has scored remarkable achievements in various aspects by persisting in national reconciliation and unity, striving to develop national economy and observing independent foreign policy, therefore, enjoying universal acclaim in Africa and the international community as a whole, it says.

The message says: "We firmly believe that this congress, by summing up the experiences of struggle and construction, will make even greater achievements in uniting and leading the Namibian people in building the country into a strong and prosperous one."

"We are convinced that the existing friendship between us will be further consolidated and developed irrespective of the changing international situation," the message says.

Political & Social

Deng Reportedly Cancels Shanghai Appearance

HK1012010891 Hong Kong SOUTH CHINA
MORNING POST in English 10 Dec 91 pp 1, 10

[By Willy Wo-lap Lam]

[Text] Chinese patriarch Mr Deng Xiaoping's declining health has forced him to cancel a public appearance in Shanghai and to postpone a trip to Hainan Island, according to Chinese sources.

But the senior leader, 87, is in no imminent danger, and he is still expected to be able to shepherd the reform programme through the 14th Communist Party congress scheduled for late 1992.

Chinese sources said Mr Deng, who went to Shanghai around mid-November, was to have put in a public appearance in the east China metropolis to underline his support for "a second wave of reform".

The patriarch was last seen in public at the last Lunar New Year in Shanghai, which has become the base for launching a series of economic liberalisation measures.

The sources said his aides had arranged for local television to film Mr Deng walking on the new Nanpu Bridge.

Opened on November 19, the bridge links Shanghai with the new Pudong Industrial Zone, considered to be Mr Deng's brainchild.

But while Mr Deng has no terminal diseases and his mind is working well, he has had increasing difficulty walking and speaking clearly, and his handlers cancelled the photo opportunity.

Mr Deng is expected to spend a large part of this winter in Shanghai, where the climate is less dry and severe than in the capital.

The sources said the same health reasons were behind the postponement of a trip to Hainan Island scheduled for the end of this year.

Sources in Hainan, deemed China's largest special economic zone, said the provincial party committee had spent more than a month preparing for the visit, which would have given a big lift to the province's sagging investments.

"The party committee has assigned individual members specific tasks in connection with the visit," a local cadre said.

"Deng's trip will be seen as a green light for the return of quasi-capitalistic experiments which were suspended in mid-1989."

The source said the Deng family had postponed, if not cancelled, the visit, on orders from doctors, who said it was not advisable for Mr Deng to take the flight to the island.

Western diplomats said that while Mr Deng was not suffering from life-threatening ailments like cancer, his health had steadily declined since the spring, when he took a major role in laying out reform strategies for Shanghai and Pudong.

A senior diplomat said Mr Deng missed his traditional sojourn this summer to the North China seaside resort of Beidaihe.

"Mr Deng likes to swim in the choppy waters in Beidaihe and to have his picture taken in the same fashion as Mao Zedong swimming in the Yangtze," he said.

"But his doctors advised him against swimming in Beidaihe and he saw no point in going there."

The diplomat said Mr Deng, an avid bridge player, had cut down on the game, now playing at most once every week.

Moreover, while even in late 1989, Mr Deng could concentrate on the game for three hours or more, the span had lately shrunk to less than an hour.

But Chinese sources said that Mr Deng's mind was working well. While in Shanghai last month, he reportedly had sessions with Premier Mr Li Peng, who officiated at the Nanpu Bridge opening ceremony, and with protegee and National People's Congress Chairman, Mr Wan Li.

In September, Mr Deng used his considerable influence to rein in the leftists, who wanted to revive Maoist class struggle to combat "peaceful evolution" in the wake of the failed Soviet coup.

And last month, the patriarch gave his stamp of approval to more market-oriented reforms, including the increase in the number of joint-stock companies in Guangdong, Fujian and Hainan.

"Deng wants to revive his old call for building 'a string of Hong Kongs' along the coast," a Chinese economist said.

"He has given his blessing to the recent proclamation by Hainan leaders that the island will shortly become 'a big Hong Kong'."

Deng Places Priority on Economic Development

HK1012140191 Hong Kong CHING PAO in Chinese
No 173, 5 Dec 91, p 34

[Article by Ming Li (2494 7787): "Deng Says That Failure To Boost Economy Will Lead to Collapse of Communist Party"]

[Text] China watchers in Beijing hold that the current economic chaos in the Soviet Union and Eastern Europe

is objectively helpful to Deng Xiaoping, the general architect of China's reform and opening up, and is prompting Deng to more firmly place China's economic development ahead of everything else.

Failure to Develop the Economy Will Lead to Collapse of the Government

According to reports from Beijing, in mid-October, the CPC leadership began to relay to leaders of various central departments, ministries, and some provincial and municipal leaders Deng Xiaoping's talk with some CPC leaders of the first generation at an opinion-exchange meeting [sheng huo hui 3932 3172 2585] (even Deng Yingchao and Nie Rongzhen, who has not shown up for a long time, also attended the meeting) on the eve of this year's National Day. Deng Xiaoping said: So far, some comrades still do not agree with, or do not understand, or even oppose, the central decision of taking economic construction and modernization as the central task. After Marxism wins victory in a country through revolution, it is necessary to consolidate the new government and honor the promises to the people, and this requires development of the economy and solving the issue of productive forces better and faster than what could be done under the old system. If the economy cannot be boosted over a long time, it will lose the people's support at home and will be oppressed and bullied by other nations in the world. The continuation of this situation will lead to the collapse and disintegration of the Communist Party.

Deng added: We always say that we need to grasp the two basic points (namely, the four cardinal principles and the policy for reform and opening up), and the key lies in the proper handling of the relationship between the two basic points. We must not use politics to constrain economic construction or hamper the pace of reform and opening up. In peaceful circumstances, everything should serve economic construction, which is the central task of the whole party and nation and is the matter of prime importance.

It Is Necessary To Continue Developing Productive Forces

Deng also said: We stress the need to adhere to the Marxist line, and the key lies in being conscientious in carrying out the Marxist line. Some comrades required other people to follow a Marxist line and criticized other people for following a non-Marxist Line, but what about themselves? Are there only several or 10-odd people out of the 300 or 400 central leaders being firm and genuine Marxists? When summing up our positive and negative experience over the past 42 years since the founding of the People's Republic, we may find that over a fairly long time in the past, we did not completely and systematically understand and apply Marxism to solve the fundamental issues of our nation. Now, we have basically solved the issue of ensuring the subsistence living conditions for 1.1 billion people, and have enabled 40 million to 50 million people to live in comparatively

well-off conditions or approach such living standards. This is a great achievement. We must continue to firmly and steadily develop productive forces, and take the development of productive forces as our first priority task. This orientation is completely correct, and there is no other option for us.

Views Promotion of Cadres' Children

*HK1012133391 Hong Kong CHING PAO in Chinese
No 173, 5 Dec 91 p 33*

[Article by Ming Ping (2494 5493): "Deng Xiaoping on 'Party of Princes'"]

[Text] According to a report from Beijing, CPC Central Committee General Secretary Jiang Zemin revealed at a recent meeting of the CPC Central Committee's Political Bureau that since last summer, Deng Xiaoping had repeatedly mentioned the need to properly select and train successors to leading posts at all levels, especially to the central leading posts and the ministerial-level and provincial-municipal party, government, and military leading posts. Training and selecting successors to leading positions should be taken as a major task of the party, which must not be neglected or handled perfunctorily.

At the meeting, Jiang Zemin also revealed that after returning from an inspection tour outside Beijing, Deng Xiaoping talked with Jiang, Li Peng, and Wan Li about selecting successors to the central and local leading posts and reinforcing and adjusting the leading bodies.

Deng Xiaoping said: You should properly guarantee the quality of cadres being promoted to leading posts. There are some critical opinions inside the party, and there is also various gossip in the outside world. It is rumored that the "party of princes" [senior cadres' children] would enter the Central Committee. This reflects reactions in society. It is necessary to set stricter demand on cadres' children and set even higher demands on senior cadres' children. Parents should also bear responsibility, and party organizations should properly control appointments.

Deng added: I can understand why the masses are strongly critical of senior cadres' children. Some senior cadres' children engaged in various lawbreaking and discipline-violating activities by making use of their special status, and they were not punished according to law in good time. The masses certainly have the right to criticize such phenomena and air their resentment. Although evildoers only comprise a very small proportion of senior cadres' children, they may produce widespread adverse effects. Should their parents bear certain responsibility for their behavior? In my opinion, the parents do bear major responsibility.

Deng Xiaoping proposed that children of the senior cadres who are still alive or holding leading posts be kept from being appointed to principal leading posts in provincial and municipal party committees and governments or

elected to the Central Committee for the time being. It would be better if they are assigned to take charge of some concrete work in some grass-roots units. Deng said: I am always opposed to the idea of electing Pufang (his eldest son) into the Central Committee, and I am now more firmly opposed to this. I should tell you once again that I am opposed to the idea of electing children into the Central Committee or appointing them to be principal leaders in any ministries or state commissions. I am also always opposed to the practice of appointing one's wife to be director of one's own office or appointing one's relatives to key party or government posts in the same department one is taking charge of. This is because such practices will not only cause difficulties to other people but also cause dilemmas for themselves in their work.

CPC Organization Chief Outlines 1992 Tasks

OW1012030191 Beijing XINHUA Domestic Service
in Chinese 0906 GMT 9 Dec 91

[By reporters Sun Benyao (1327 2609 1031) and Liu Siyang (0491 1835 2254)]

[Text] Beijing, 9 Dec (XINHUA)—Speaking at a national meeting of the organization department directors of all provincial, autonomous regional, and municipal party committees, Lu Feng, director of the Organization Department of the CPC Central Committee, pointed out: We should focus the organization work for next year on making thorough organizational preparations for the 14th national party congress and, bearing in mind the central task of economic construction, administer the party strictly and energetically intensify the construction of leading bodies at all levels, grass-roots party organizations, and the rank-and-file party members and cadres.

The meeting was held in Beijing today. In a work report dealing with the concrete measures for focusing on the 1992 organization work on preparations for the 14th national party congress and making it a success, Lu Feng said: Since the beginning of this year, the organization and cadre departments at all levels have achieved notable results in implementing the party's basic line correctly and comprehensively in the organization work, making relentless efforts to build up leading bodies, grass-roots party organizations, and the rank-and-file party members and cadres.

Lu Feng said: We will be facing an enormous task of evaluating cadres and reshuffling leading bodies next year. In carrying out the work, we must comply with the following principles: It is necessary to promote people with both ability and political integrity, with the emphasis on the latter; attach importance to cadres' practical training and performance at critical moments; pay attention to set up rationally structured leading bodies; broaden the channels of recruiting talented people; replenish and reshuffle members of leading bodies in conjunction with the exchange and on-the-job

rotational training of cadres; and select and promote competent people to fill the principal posts of leading bodies.

Lu Feng said: In continuing to improve the ideology and style of leading bodies, we should focus attention on the following issues: 1) It is necessary to step up efforts to solve serious problems existing in leading bodies, proceeding from the actual condition of each leading body and prioritizing solutions to the most serious problems, of which the masses are most critical. 2) The local and department authorities should analyze the leading bodies of all subordinate units, and give top priority to solving the most outstanding problems. Lu Feng said: We should improve the ideology and style of leading bodies in conjunction with the evaluation of cadres and reshuffling of leading bodies, with the rectification of the style of leading offices, and with the improvement of ideology and work style at the lower levels.

Calling for efforts to promote the work of training and bringing up successors to the cause of socialism, Lu Feng said: Party committees and their organization departments at all levels should conscientiously implement the Central Committee's decision on stepping up efforts to nurture and educate young cadres by drafting plans for training and educating young cadres. They should also implement the measures for training reserve cadres and systematically send young cadres from leading party and government organizations to the grass roots for training. They may select a group of graduating college students with both outstanding scholastic achievements and good moral character to receive training at the grass-roots level. It is necessary to ardently care for and set strict demands on young cadres.

Lu Feng pointed out: We should step up the education of party members and cadres, in order to strengthen their conviction and enhance their party spirit. He said: Our party is facing three challenges; namely, governing the country; engaging in reform, opening to the outside world, and developing commodity economy; and opposing peaceful evolution. We must step up the education of party members and cadres, focusing on the strengthening of faith in socialism and communism and the adherence to the party's leadership so as to build a great wall of steel against peaceful evolution and provide a reliable guarantee for implementing the party's basic line.

Lu Feng said: The ongoing socialist ideological education in rural areas is a self-education of cadres and people under the new situation. It is also an important and comprehensive measure for further implementing the party's basic line and policies and strengthening agriculture and the work in rural areas. Judging from the overall progress in the early stage, the education has proceeded in a wholesome manner and produced marked results. The organization departments at all levels should take the initiative to coordinate with the

relevant departments to make the education a success and fulfill comprehensively the three tasks put forward by the central authorities.

Lu Feng also urged all local authorities to give guidance at different levels, pay close attention to improve weak links, and strengthen the construction of grass-roots party organizations in all fields.

The meeting was attended by the organization department directors of all provincial, autonomous regional, and municipal party committees and relevant responsible persons of all relevant organs directly under the CPC Central Committees and the central state organs.

Officials' 'High Morals' Stressed

HK1012020391 Hong Kong SOUTH CHINA MORNING POST in English 10 Dec 91 p 10

[By Willy Wo-lap Lam]

[Text] Only officials with "high morals" will be promoted during the 14th party congress next year, China's top cadre in charge of personnel and organisation has said.

Speaking yesterday at a national meeting on personnel and party affairs, head of the party's Organization Department, Mr Lu Feng, said the focus of their work next year would be choosing candidates for a new Central Committee as well as other party and government offices.

"The criteria for evaluating cadres and reshuffling leadership teams will be morality and ability," Mr. Lu said. "Priority will be given to morality, especially the performance of cadres during practice and during crucial moments."

Chinese sources say by "morality", Mr. Lu, a former secretary of party elder Mr. Bo Yibo, means "unthinkingly toeing the party line".

"Crucial moments" refer to junctures when a cadre's loyalty is called into question, such as the democracy movement of early 1989.

A source said: "The point about putting morality before ability was first made by conservative patriarch Chen Yun in the spring.

"Lu clearly means that only those cadres who stood the test of the June 4 crisis by professing total loyalty to the new leadership will be elevated."

Mr. Lu also indicated yesterday that the Communist Party was faced with three major tasks: holding on to power, reform and the open door, and countering "peaceful evolution".

"We must increase education for cadres and party members in order to hold steady their faith and to boost their party orientation," he said. "This will provide the basic guarantee for fulfilling the party's basic line."

Analysts say, however, that contrary to the repeated injunctions of patriarch Mr. Deng Xiaoping, Mr. Lu has clearly put "countering peaceful evolution" before "reform and the open door".

After all, they say, "morality" is good for achieving the former but not necessarily the latter.

The organization chief also said yesterday that practices such as assigning graduates from top colleges to the grassroots, including countryside units, would be continued.

Moreover, the "rotation" of cadres, especially the party and government chiefs of provinces and major cities, would be maintained.

Mr. Lu is considered a protege of member of the Politburo Standing Committee and former head of the Organization Department, Mr. Song Ping, a leftist party elder.

Mr. Song and Mr. Bo are believed to have overall charge of personnel matters in the run-up to the 14th party congress, which will set the stage for a major generational change.

Foreign Ministry Rejects Li, Dalai Lama Meeting

HK1012111791 Hong Kong AFP in English 1105 GMT 10 Dec 91

[Text] Beijing, Dec 10 (AFP) - China implicitly rejected Tuesday a proposed meeting between Premier Li Peng and the Dalai Lama, saying the Tibetan spiritual leader must reject calls for independence before a dialogue can take place.

"The door for dialogue with the Dalai Lama remains open," a Foreign Ministry spokesman said, adding that first the Tibetan leader "must abandon his position on the independence of Tibet."

"Splittism has no future and will be spurned by the Chinese people of all nationalities, including the Tibetans," the spokesman said.

A senior official of the Tibetan government-in-exile in India said Tuesday that China had rejected a proposal for a meeting between Tibetan leaders and Li during his visit to New Delhi this week.

Tashi Wangdi, minister of information and international affairs, said a meeting between top officials could have been followed by a meeting between Li and the Dalai Lama.

China has rejected similar proposals in the past, not wishing to deal with the Dalai Lama until he renounces independence for Tibet, which Beijing claims to have "peacefully liberated" in 1951.

The Dalai Lama, who fled Tibet after a failed uprising in 1959, now lives in the northern Indian town of Dharamsala. Some 100,000 Tibetan exiles live in India, which has aided them but recognises Chinese rule of Tibet.

Li was to arrive Wednesday in New Delhi for the first visit by a Chinese premier since Zhou Enlai travelled there in April 1960.

Indian authorities arrested 14 Tibetan activists Sunday ahead of Li's visit, which is expected to prompt demonstrations by the Tibetan community in India.

(In New Delhi, the Dalai Lama's bureau criticised the arrests and pledged its faith in the Tibetan campaign for freedom.

("The Tibetan people have always welcomed normalisation of relations between India and China," it said in a one-page statement issued in the Indian capital.

("However, such a normalisation, even considering the long-term interests of India, should not be made the expense of the basic human rights and freedoms of the Tibetan people," it added.

(The statement, coinciding with International Human Rights Day, was followed by an announcement by the Tibetan Youth Congress that it would hold "a peaceful demonstration" Wednesday in New Delhi to protest Li's trip.)

CPPCC Committee Studies Plenum Guidelines

OW1012111791 Beijing XINHUA Domestic Service
in Chinese 0823 GMT 10 Dec 91

[By reporters Zou Aiguo (6760 1947 0948) and Sun Yong (1327 0516)]

[Text] Beijing, 10 December (XINHUA)—The 17th Standing Committee meeting of the Seventh National Committee of the Chinese People's Political Consultative Conference [CPPCC] opened at the CPPCC Auditorium this morning. The main purpose of the meeting is to study and discuss the guidelines of the decision on further strengthening agriculture and work in rural areas, which was adopted by the Eighth Plenary Session of the 13th CPC Central Committee.

Vice Chairman Wang Renzhong of the CPPCC National Committee presided over the meeting on behalf of Chairman Li Xiannian. He said: Agriculture is the foundation of economic development, social stability, and self-reliance of the country. There will be no modernization in the entire economy without stability, all-around progress, and modernization in agriculture.

Wang Renzhong said: The "decision" of the Eighth Plenary Session of the 13th CPC Central Committee—which gives full confirmation of China's historic achievements in rural reform and construction in the 1980's, realistically identifies the existing problems, defines the main tasks of agriculture and the work in

rural areas in the 1990's, and sets corresponding principles and policy measures—is a programmatic document for bringing about a new change in agriculture as well as work in rural areas, and also for building a new socialist countryside with Chinese characteristics. He urged Standing Committee members to offer ideas and suggestions for helping the party and government do a good job in rural areas so that they can contribute to creating a new situation in agriculture and work in rural areas and can consolidate socialist positions in the countryside.

At the meeting, Hui Liangyu, deputy director of the Central Policy Research Center, gave a briefing on Chinese agriculture and work in rural areas. Stressing the great significance of strengthening agriculture and work in rural areas under the new international and domestic situation, he said: While fully affirming the remarkable achievements in rural reform, we should recognize soberly the arduous tasks in rural development. The key to further developing agriculture and work in rural areas lies in stabilizing and improving the party's basic policies for rural areas and in continuing to deepen rural reforms. Rational readjustment of the rural production structure and guidance to ensure sound progress of village and township enterprises are important measures for pushing agricultural modernization and promoting social development and national prosperity. The greater the efforts we put in on reform, opening up, and developing commodity economy, the more it is necessary to launch socialist ideological education as well as intensify the construction of spiritual civilization, democracy, and the legal system in rural areas. To strengthen the party's leadership over work in rural areas is the fundamental guarantee for realizing the gigantic goal in rural reform and construction in the 1990's.

The meeting participants approved the agenda and schedule of the meeting. The main items on the agenda included:

Studying and discussing the "Decision of the CPC Central Committee on Further Strengthening Agriculture and Work in Rural Areas" and Comrade Jiang Zemin's speech at the Eighth Plenary Session of the 13th CPC Central Committee; examining the "Communique of the 17th Standing Committee Meeting of the Seventh CPPCC National Committee"; deliberating reports by CPPCC inspection groups on visits to Shaanxi, Xinjiang, Jilin, Shanxi, Guizhou, Zhejiang, Hunan, Guangxi, Fujian, Hainan, and the Three Gorges Construction Project; deliberating a report by the CPPCC delegation to the Netherlands and Austria; and approving personnel appointments and dismissals. Secretary General Song Demin explained the agenda at the meeting.

The meeting participants rose to pay silent tribute to Vice Chairman Hu Ziang and member Zhang Bilai, who had passed away since the 16th Standing Committee meeting.

Vice chairmen who attended the meeting today were Hong Xuezhong, Gu Mu, Yang Jingren, Zhou Peiyuan,

Wang Guangying, Zhao Puchu, Ma Wenrui, Qian Xuesen, Qian Weichang, Cheng Siyuan, Lu Jiaxi, Qian Zhengying, Su Buqing, and Ismail Amat.

QIUSHI on Maintenance of Party Authority

HK3011050091 Beijing QIUSHI in Chinese No 20,
16 Oct 91 pp 11-16

[Article by Chen Yeping [7115 6851 5393], member of the CPC Central Advisory Commission: "Consciously Maintain Party's Authority"; QIUSHI editorial note identifies following as an abridged and revised speech delivered at the Hubei Provincial Party School]

[Text] Comrade Li Peng said in a meeting with foreign guests: "The central collective leadership, with Comrade Jiang Zemin as the nucleus, has smoothly accomplished the transition of power in China. This is a strong and authoritative leadership which ensures long-term stability. Under this leadership, the basic political line and the policy of reform and opening to the outside world formulated by Deng Xiaoping will be carried through into the future." (RENMIN RIBAO, 1 December 1990) Under the new situation at home and abroad, we must earnestly study the Marxist view of authority and consciously maintain the party's authority, particularly the authority of the central collective leadership. This will be of immense significance in strengthening party building, enhancing the party's fighting capacity in an all-around way, strengthening and improving the party's leadership, and successfully building socialism with Chinese characteristics.

The Basic Implications of the Marxist View of Authority

In his 1873 article entitled "On Authority," Engels gave a detailed exposition of the Marxist view of authority with Bakunin's anarchism in mind. He pointed out: "Here, authority refers to the imposition of other people's views on us. On the other hand, authority also presupposes subordination." (*Selected Works of Marx and Engels*, Vol 2, p 551) In different historical periods, authority is exercised by different classes. At a time when the exploiting class is in a ruling position, the interests represented by the authority are the interests of the ruling class, which stand fundamentally opposed to the interests of the exploited and oppressed peoples. This kind of authority can only be maintained through coercive measures. After the seizure of state power by the proletariat, the interests represented by the authority are the interests of the proletariat and all laboring people. The maintenance of this authority means the maintenance of its fundamental interests. Thus, among the people this authority is established on the basis of conscious subordination. Only hostile forces or people without any awareness would resort to coercion. The meaning and function of the authority of the proletariat find expression in political and economic management and in certain spheres and aspects of social management and ideological theories.

In the political sphere, authority is primarily something indispensable to the party system of the proletariat. Engels pointed out: "Without compelling certain people to accept the will of others, that is, without authority, there will not be any concerted action. Be they the wishes of the majority of voters, the wishes of committees which function as leading organs, or the wishes of individuals, they are wishes imposed on people who hold differing opinions. However, without these wishes which are unified and are of guiding significance, it is impossible to achieve any kind of cooperation." (*Selected Works of Marx and Engels*, Vol 4, p 397) There must be unified wishes within a proletarian organization, and a proletarian party must practice democratic centralism and strict discipline. These are the basis for the party to improve its organizational system and political life. Our party is the core of leadership of all Chinese people. In order to unite the entire working class and the people of all nationalities in waging a guided and organized struggle, we must first of all build our party into a strong core of leadership which is highly centralized and unified both ideologically and politically while being highly unified in action. This means that we must establish, in our organizational system and political life, a kind of authority which requires every party organization and party member to submit to the party Central Committee. Thus, the Party Constitution stipulates that individual party members are subordinate to the party organization, the minority is subordinate to the majority, the lower party organizations are subordinate to the higher party organizations, and all the constituent organizations and members of the party are subordinate to the National Congress and the Central Committee of the party. Unlike bourgeois parties, which encompass factions that represent the interests of different groups of capitalists, all the constituent organizations and members of our party fight for the fundamental interests of the proletariat and the entire populace. There are no inevitable conditions for the birth of factions, and factional activities will not be tolerated. Our party has all along opposed the mountain-stronghold mentality, sectarianism, liberalism and other undesirable tendencies that may weaken the central authority, and has waged resolute struggles against splittism of every description, thereby ensuring the authority of the Central Committee in leading the revolutionary wars, so that the cause of the Chinese revolution can develop, both in scope and in intensity, from defeat to final victory. If, contrary to this, we allowed the development of tendencies which may weaken the central authority, the revolutionary ranks would most certainly disintegrate, with each doing things his own way. This way, we will not only be unable to join forces to defeat the enemy, but will be crushed by the enemy one by one.

In the political sphere, authority also finds expression as an important means with which the proletariat seizes political power and maintains its political rule. Engels pointed out: "Revolution is no doubt the most authoritative thing on earth. Revolution means that some people use guns, bayonets and cannons, in other words,

extremely authoritative means, to force others to accept their wishes. If the winning party does not want to lose the achievements it fought so hard for, it must maintain its rule by capitalizing on the fear produced by weapons among the reactionaries. Had the Paris Commune not relied on the authority of the armed people who fought the bourgeoisie, could it have lasted more than one day? Conversely, do we not have reasons to blame the Commune for not making sufficient use of this authority?" (*Selected Works of Marx and Engels*, Vol 2, p 554) This is the case with the seizure of political power, and the same is true with the consolidation of political power. This is a scientific conclusion drawn from the summing up of experience in the proletarian revolution. As a state under the people's democratic dictatorship, China must maintain the authority of democracy and the legal system. It must not allow the unchecked spread of anarchism, or the presence of the "liberty" to oppose the CPC leadership or socialism. Around the spring and summer of 1989, people who stubbornly clung to the stand of bourgeois liberalization ignored this authority in engineering turmoil and counterrevolutionary rebellion in their vain attempt to disrupt the political order of socialism, overthrow the government and seize power. At this critical juncture, the party Central Committee and State Council resolved to quell the counterrevolutionary rebellion in a single move. At that time, some well-intentioned people failed to see the necessity of checking the turmoil and quelling the counterrevolutionary rebellion. However, following the development of events at home and abroad, more and more people have come to see that although exploiting classes have been wiped out as classes following the basic completion of the socialist transformation of the means of production, class struggle will continue to exist within given limits for a long time to come and may even intensify under given conditions. Thus, "revolution" as "the most authoritative thing on earth" not only cannot be weakened or done away with, but must be maintained and strengthened. It is precisely the authority of revolution which has enabled us to win a victory in checking and quelling the turmoil and counterrevolutionary rebellion and save the people's republic.

From the perspective of economic management and certain aspects of social management, submission to the authority of managers is a necessary requirement of large-scale industry and socialized production. Engels said: "The material conditions of production and circulation inevitably become complicated as large-scale industry and agriculture develop. They tend to broaden the scale of this authority with each passing day." (*Selected Works of Marx and Engels*, Vol 2, p 553) Where economic management is concerned, there are essential differences between economic activities based on socialist public ownership and economic activities based on private ownership by capitalists. However, they are similar in that large-scale socialized production requires mutually coordinated and centralized management, that is, submission to the authority of the manager. The difference is that in economic activities based

on private ownership by capitalists, the authority of managers is maintained by coercion, because their class interests are completely opposite to those of producers. In economic activities based on socialist public ownership, the authority of managers is consciously maintained by producers because the fundamental interests of both parties completely coincide and, in a sense, managers are representatives of producers.

In social management, the significance and role of the authority of the party Central Committee and the State Council are even more important. In the first few years following nationwide liberation, we were confronted with all kinds of difficulties as we began full-scale reconstruction. Under the unified command of the Central Committee, all party members, the working class and the masses of the people achieved unity of will, action and pace; quickly healed the wounds of war; stood up against the blockade imposed by the imperialists; and began the planned development of the national economy. During the three years of economic difficulties, the whole nation unconditionally submitted to the authority of the Central Committee; implemented the policy of "readjustment, filling out, consolidation and improvement" to the letter; and ultimately brought about the recovery and development of the national economy. Today, in our endeavor to carry out socialist modernization and implement the reform and open policy, we need a political situation of stability and unity, as well as the strict implementation of scientific management and civilized operations. This requires that all party members and the whole nation submit to the authority of the Central Committee, have the cardinal principles in mind, take the overall situation into account, observe discipline, and perform their duties well. Comrade Deng Xiaoping repeatedly emphasized that the party Central Committee must have its authority, and so must the State Council. He also pointed out that the party's discipline, as well as orders and prohibitions, must be strictly enforced. Party members must be ideologically and politically at one with the party Central Committee. There is no denying that in recent years, particularly since the Central Committee decided on the policy of economic improvement and rectification, the tendency to weaken the authority of the Central Committee has asserted itself to varying degrees in some localities and departments. It must be reiterated that the line, principles and policies of the party Central Committee as well as the laws and decrees of the state must be resolutely implemented in order to maintain the central authority. All acts of defying orders and prohibitions are detrimental to the central authority and must be strictly prohibited.

With respect to ideological theories, we must submit to the authority of Marxism-Leninism-Mao Zedong Thought. Marxism is the guiding ideology of the proletariat, the powerful ideological weapon employed by the oppressed peoples and nations in winning complete emancipation. It has been proved as a universal truth. After seizing state power, the proletariat had to establish

the position of Marxism as the dominant ideology. Marx and Engels pointed out: "The ideology of the ruling class is the dominant ideology in every era. That is to say, a class is the dominant material force in society; it is also the dominant spiritual force in society." (*Selected Works of Marx and Engels*, Vol 1, p 52) Obviously, in a socialist country, the dominant ideology is Marxism, which represents in a concentrated way the fundamental interests of the ruling proletariat. In China, it is Marxism-Leninism-Mao Zedong Thought. The establishment of the authority of Marxism-Leninism-Mao Zedong Thought cannot be explained by the ideology itself. Rather, it has to be explained through the material base of this ideology. The socialist economy is an economy based on the public ownership of the means of production. Marxism-Leninism-Mao Zedong Thought is not only the profound expression of the theoretical interpretation of living conditions, fundamental interests, historical mission and class mentality as a whole, it is also the only ideological system that is suited to this public economy. As ideological systems, socialism and communism are Marxism-Leninism-Mao Zedong Thought. Thus, it is both right and proper for our socialist country to take Marxism-Leninism-Mao Zedong Thought as our authoritative ideological theory. Some time ago, a handful of people who stubbornly clung to bourgeois liberalization negated the guiding position of Marxism-Leninism-Mao Zedong Thought and publicized the erroneous view that "Marxism is but a school of thought." Their aim was to negate the authority of the theoretical basis that guides our ideology.

The Marxist View of Authority and the Personality Cult

There is an essential difference between the Marxist view of authority and the personality cult. Consciously maintaining the authority of the collective leadership of the party Central Committee has theories of historical materialism on the relations between the masses, classes, political parties and their leaders as its basis. Lenin pointed out: "The masses are divided into classes.... [ellipses as published] Classes are usually led by political parties; political parties are usually run by fairly stable groups made up of the most authoritative, influential and experienced people called leaders who are elected to the most important offices." (*Selected Works of Lenin*, Vol 4, p 197) The historical mission of the proletariat can only be realized through highly conscious revolutionary movements, and this task has a lot to do with the party of the proletariat and its leaders. Without leaders, the struggle of the proletariat will slip into a state of spontaneity, fumbling around and laxness. Thus, no class in history could have achieved dominance unless it was able to choose political leaders and advanced representatives who were good at organizing and leading movements. This is particularly true with the proletariat which shoulders a great historical mission.

Our party's first, second and third generations of central collective leadership with Mao Zedong, Deng Xiaoping and Jiang Zemin as the nuclei are political leaders chosen by the Chinese proletariat to organize and lead

revolution and construction. The victory of the Chinese revolution and the tremendous successes of construction have been achieved under their leadership. Thus, consciously maintaining the authority of the central collective leadership is where the fundamental interests of the whole party and the whole nation lie.

The personality cult goes completely against the basic principles of historical materialism on the relations between the masses, classes, political parties and leaders. It is an expression of the materialist conception of history, which preaches the view that heroes make history and negates the role of the masses in history. It reverses the relationship between the individual and the organization and between the leader and the people: Rather than stressing that the individual should be subordinate to the organization, it says that the organization should be subordinate to the individual; rather than stressing that the leader should be loyal to the people, it says that the people should be loyal to the leader. This is bound to undermine the party's democratic centralism, dampen the enthusiasm and creativity of the party ranks and the masses, and create the abnormal phenomenon where party leaders place themselves above the party and the state. The Marxist view of authority and the personality cult are as incompatible as fire and water. Marx "detested all forms of the personality cult" and all along advocated the rejection of "everything that abets the blind worship of authority." The Second Plenary Session of the Seventh CPC Central Committee proposed: "We should prohibit the holding of birthday celebrations for party leaders, and should prohibit naming places, streets or enterprises after party leaders. We should maintain the work style of plain living and hard struggle, and stop the practice of eulogizing somebody's virtues and achievements." (*Selected Works of Mao Zedong*, Second Edition, Vol 4, p 1443) Comrade Deng Xiaoping summed up the historical experience of the international communist movement and our party in his report on the revision of the party constitution delivered at the Eighth CPC National Congress in 1956. He pointed out that our party "detests the deification of individuals." However, because we had not been doing too well in this regard since the late 1950's, the personality cult was able to gradually develop, ultimately becoming an important cause of the serious outcome during the "Cultural Revolution." This is a lesson we should firmly bear in mind.

In order to draw a clear line of demarcation between the Marxist view of authority and the personality cult, we must prevent problems in two respects.

First, we must maintain the authority of the party's central collective leadership, maintain the authority of the leaders (the individual leaders), and oppose anarchist tendencies to negate all authorities. Historical materialism maintains that the masses create history. This basic viewpoint not only does not deny the role of the individuals in historical development, but intrinsically embodies affirmation of the individual role of historical figures and proletarian leaders. The historical mission of

the proletariat can only be accomplished through highly conscious revolutionary movements, and this task has a lot to do with the leadership of the party and its leaders. Without leaders, mass struggle will slip into a state of spontaneity, fumbling around and laxness. After the proletarian party becomes the party in power, the role of its leaders becomes the sure guarantee for the consolidation of political power and the organization of the whole party and the whole nation in building socialism. Proletarian leaders represent the interests of the masses and stand in the vanguard of mass struggle. As they have naturally come about in mass movements, they are bound to command high prestige among the masses and enjoy the love and esteem of the masses. Thus, the authority of the central collective leadership is the authority of the party, the class and the people; it is the precious wealth of the party and the people. The masses' love for the central collective leadership and their efforts to maintain the authority of their leaders "essentially find expression in the way they cherish the interests of the party, the class and the people." (*Selected Works of Deng Xiaoping*, (1938-65), p 223) Anti-authoritarianism and anarchism which oppose all authorities are completely wrong and extremely harmful. After the Third Plenary Session of the 11th CPC Central Committee, our party conscientiously summed up its experience since the founding of the PRC and adopted a series of major measures to eliminate the personality cult. "The party forbids all forms of personality cult" was written into the party constitution adopted by the 12th CPC National Congress as one of the basic principles of democratic centralism. Confused and poisoned by anarchist ideas, some people distorted this stipulation made in the party constitution and denied all authorities. After the "Cultural Revolution," some people with ulterior motives stirred up trouble by availing themselves of the opportunity afforded by the call to rectify mistakes of the personality cult to fan up the anarchist trend of thought and negate the four cardinal principles. Comrade Deng Xiaoping's speech on "Upholding the Four Cardinal Principles" exposed from the theoretical perspective the essence of this trend of thought, correctly assessed the career and thoughts of Comrade Mao Zedong, and defended the Marxist view of authority. To historical materialists, maintaining the authority of leaders is in complete agreement with opposition to the personality cult. We must value the role of leaders without exaggerating it. We must respect leaders and maintain their authority while opposing the personality cult and the deification of individuals.

Second, we must see through theoretical propositions that peddle personal dictatorship under all sorts of signboards. A few years ago, a trend of thought which called itself "neo-authoritarianism" created an uproar for some time. Its basic stand was: In the process of modernization, the liberalization of the economy can only be realized through the centralization of political power. For this reason, reform in the political sphere should mainly be realized through necessary centralization and monopoly of political power, rather than

through the further promotion of socialist democracy. Its essence lay in stressing the authority of decisions made by the elites. The power of conducting, regulating, controlling and adjudicating cases in political life was vested in a handful of "political elites," particularly Comrade Zhao Ziyang, who was in charge of the Central Committee at that time. "Neo-authoritarianism" has nothing in common with the Marxist view of authority. Its fundamental objective is to establish a bourgeois dictatorship in the name of democratic politics to suit the needs of the capitalist economy of the West. It rejects true democracy, establishes the "authority" of a handful of "political elites," and advocates doing things according to their desire to develop capitalism. In short, it is a "new" autocracy which treats the masses as if they were fools. We must see that the theories advocated by people who clung to bourgeois liberalization were an expression of their pragmatism. They advocated "neo-authoritarianism" when they attempted to establish the authority of the handful of "political elites" and relied on these "political elites" to map out the blue-print for China's "total Westernization." When their propositions to follow the capitalist road were rejected by the party, the government, and the masses, they turned from "new" autocracy to anarchism, even moving from one extreme to the other by instigating political turmoil and counterrevolutionary rebellion. The fact that the backbone force which advocated "neo-authoritarianism" turned out to be the backbone force which incited anarchism during the turmoil and rebellion of 1989 was convincing proof. Based on experiences since the Third Plenary Session of the 11th CPC Central Committee, we must always uphold the two-way approach on the question of the Marxist view of authority. In other words, we must oppose the unbridled fostering of the absolute authority and personality cult of individual leaders while opposing anarchism, which denies all authority.

Democracy, Liberty, and Marxist View of Authority

The Marxist view of authority is consistent with the development of socialist democracy and the respect of people's right to liberty.

Socialist democracy is the carrying forward and development of the system of democracy in the history of mankind; it is the highest form of democracy. The gist is that the people must be masters of their own destiny. In accordance with legal provisions, the people should manage state, economic, cultural, and social affairs through different channels and methods. Cadres at various levels must represent the wishes and interests of the people and wholeheartedly serve the people. The essence of socialist democracy is that the people jointly enjoy the rights to own and dispose of the means of production and extend these rights to the realms of political, economic, and social life.

However, socialist democracy itself is the unity of democracy and dictatorship, the unity of democracy and the legal system, and the unity of democracy and centralism. The unity of these aspects is the unity of

democracy and authority. The unity of democracy and dictatorship means that state power based on the people's democratic dictatorship practices democracy among the people and exercises dictatorship over the enemy. At the present stage, class struggle still exists in China within a given scope and hostile forces at home and abroad have never ceased their sabotage. It is precisely for the purpose of ensuring that the people's democratic rights are not violated that we exercise dictatorship over hostile forces and bring the functions of the dictatorship of the people's power into play. The unity of democracy and the legal system means that the codes of action in political, economic, cultural, and other realms should be brought into the orbit of the legal system, so that their democratic rights are protected by law and so that they will be able to work within the limits prescribed by law. We cannot jeopardize the rights and interests of others and of society when exercising our own democratic rights. We must keep ourselves within the bounds of law, protect ourselves by means of law, and consciously wield the authority of law to defend the interests of the state and the collective. The unity of democracy and centralism indicates that socialist democracy means that no individual can decide everything, big and small, or do whatever he wants. The practice of democratic centralism in the political life of our party and state is a basic organizational system which combines centralism on the basis of democracy and democracy under the guidance of centralism. Neither aspect can be dispensed with. Thus, the unity of authority and democracy is a dialectical one. The two are interdependent. They are both opposite and complementary to each other. If authority is stressed at the expense of democracy, there will be arbitrary decisions by individuals, which in fact means the abuse of authority. If democracy is stressed at the expense of authority, there will be extreme democracy, which in fact means the abuse of democracy. Engels said: "The wishes of individuals are always submissive. In other words, problems have to be resolved through recourse to authority." (*Selected Works of Marx and Engels*, Vol 2, p 552)

Building a high degree of socialist democracy comprises an important aspect of the party's general task during the new period. In building socialist democracy, we not only need the guidance of the Marxist view of authority but also can only accomplish the task through the authoritative organization of the party's central collective leadership. People who stubbornly clung to bourgeois liberalization vilified socialist democracy as the "old system of authority" which was equivalent to feudal autocracy. They did so not because they did not want authority but because they wanted to establish the authority of the handful of "political elites" and the dictatorship of individuals. They wanted to replace proletarian authority by bourgeois authority and ultimately replace the people's democratic dictatorship with the dictatorship of the bourgeoisie.

The crux of the question of the relationship between authority and liberty is how we interpret liberty. Liberty

in the truly scientific sense covers two levels of meaning: In the realm of social life, liberty refers to the right to conduct political, economic, cultural, and other activities within the limits prescribed by law; in the realm of philosophy, liberty means that on the basis of understanding the objective laws, people can consciously dictate their own acts and remold the world and are no longer blindly dictated to by objective laws. Liberty and authority in the scientific sense are interdependent and complement each other.

In the realm of social life, liberty has its class nature and is not abstract. In a society where the people are exploited and oppressed, there is the liberty of the exploiting class to oppress the laboring people. Contrary to this, under the people's democratic dictatorship, the masses of the people enjoy genuine and extensive liberty. Moreover, just like democracy, liberty is relative. Among the people, liberty is relative to discipline. The people enjoy liberty but they must also keep themselves within the bounds of socialist discipline. If we ignore discipline, and if each of us can act "freely" as our heart dictates, we will be unable to maintain normal production, work, and political order. When even traffic lights are rendered useless, and traffic becomes chaotic, there is no point talking about personal liberty. The handful of people who clung to bourgeois liberalization used to beautify liberty in the Western capitalist world as "absolute liberty" unrestricted by any authority. This was only deceptive talk. Their true aim was to negate the authority of the party's leadership and the people's democratic dictatorship in a vain attempt to seize power in an anarchist state, subvert our People's Republic, establish their bourgeois dictatorship, and practice their capitalist liberty.

In the realm of philosophy, liberty is relative to necessity. Comrade Mao Zedong unequivocally pointed out that liberty meant the understanding of necessity and the transformation of the world. Only when we understand, have a fair grasp, and can apply the laws of nature and the laws of social development, and can act according to the objective laws, will we have the liberty to transform nature and society. Liberty cannot be separated from necessity, and necessity is authoritative where liberty is concerned. Whoever ignores the authority of objective laws and does whatever he likes will not only be unable to gain liberty but will also run into bumps and bruises. The handful of people who clung to bourgeois liberalization negated the fact that the substitution of capitalism by socialism is a necessary historical process and attempted to use their own subjective will to reverse the inexorable trend of development in the history of mankind. This was but a manifestation of their reactionary theory of voluntarism. Of course they had not found any favors in objective laws and had not gained the liberty to turn back the wheels of history.

Today, after further summing up historical experience at home and abroad, the party's central collective leadership, with Comrade Jiang Zemin as the nucleus, is systematically pushing forward reform of the political

system in a guided way. It has upheld and improved democratic centralism, strengthened the building of socialist democracy and the legal system, and achieved remarkable successes with these. We believe that as long as we persist in using the Marxist view of authority to guide our development of socialist democracy and politics, we will be able to: "Bring about a lively political situation with both centralism and democracy, both discipline and liberty, both unity of will, and personal ease of mind." (*Selected Readings from the Works of Mao Zedong*, Vol 2, p 819) All party members must consciously maintain the authority of the party's central collective leadership. They must also maintain the authority of party committees at various levels; wage resolute struggles against erroneous concepts and reactionary ideological trends of all description; and make their contributions toward the consolidation and development of social and political stability, the development of the economy, and the realization of the goals put forward by Comrade Mao Zedong.

Article Criticizes Excessive 'Formalism'

HK0912060891 Beijing RENMIN RIBAO in Chinese
24 Nov 91 p 4

[Article by Gao Yang (7559 2254): "Get Rid of Style of Formalism"]

[Text] Since the Third Plenary Session of the 11th CPC Central Committee, the principle of reform and opening up has been put into practice, the people's democracy and inner-party democracy have gradually been carried forward, and the political and cultural lives of the state have become more active compared to the early stage of the founding of New China. However, this has been accompanied by many unhealthy trends in the general mood of society, one of which is the unchecked development of formalism in the party and government's leadership and various fields of endeavor.

For some complicated reason, many party and governmental organs are unable to extricate themselves from mountains of documents and seas of meetings; many leading cadres associate with each other by "giving and returning entertainment." Such practices are vulgar, rotten, and long-lasting. I will not discuss this subject again here. What I want to mention are practices prevailing recently across the country by which people hold commemorative meetings, celebrations, prize contests, and premieres, and by which leading cadres at all levels are invited to write inscriptions at different occasions. All these expressions of formalism have greatly worried revolutionary cadres, who have not forgotten the party's traditions and who treasure the money and property of the state. In my opinion, all these practices run counter to the spirit of building up the country through thrift and hard work. Therefore, we should not let such a trend spread unchecked at a time when the country is faced with internal difficulties and external pressure.

We do have many people and things to commemorate and celebrate and it is right to hold commemorative meetings and celebrations. However, the point is that such meetings are far too numerous and are held indiscriminately and extravagantly. Can we refrain from holding meetings on things of less significance and write commemorative articles or hold other commemorative activities instead? As regards those meetings that should be held, if we hold them in a simple and unadorned way, such meetings can play the same educational role among the masses. During National Day this year and last, although no large-scale mass activities or displays of fireworks were put on in Beijing, there were happy crowds and multicolored decorations in all the streets and lanes and people could feel the same festive air everywhere.

Contests have become popular this year and are often headed with the word "grand." In newspapers, people can often read reports that the curtains of "grand" contests "have been raised" here and "lowered" there. However, in some localities, though there are very few such activities, people can still call forth all their vigor, work with redoubled efforts, and achieve good results in every field of endeavor. The reason for such a phenomenon is that political and ideological work is carried out in a down-to-earth manner in those localities.

Premieres are a new thing that have emerged during the last couple of years. When publishing books and putting on films, people tend to hold premieres which may help to increase distribution and popularity. Propaganda may be necessary on certain things which are of great significance. However, if such practices become an unchecked trend we need to make self-examinations: Are there really so many good things which deserve such "ceremonious" propaganda?

For some unknown reason, festivals of fruit have begun to be held in recent years, involving lychees, watermelon, apple, haw, peach, and pear. Such fruit festivals are said to play a role in expediting economic growth and activating the market. However, I am worried that if such a trend is spread unchecked, God knows how many more festivals of various products besides fruits will come into being next year!

Writing inscriptions lauding beautiful scenery and historic sites is an ancient tradition in China, which has been carried on after the founding of New China. However, in recent years, the scope and forms of writing inscriptions have been constantly expanded. Whenever there are anniversaries or opening ceremonies, political and cultural figures, even people like myself, are invited to write inscriptions. I often feel puzzled by this, because I find it hard to accept or refuse such invitations. For only two lines of words of praise or one paragraph of words of encouragement people often make exaggerated decorations and solemnly put them on display and even

publish the words in books and periodicals. Such practices may suit a few celebrities at the national level, but used otherwise, people cannot help but laugh behind their sleeve.

Clearly distinguishing and deciding how to handle the line between formalism and nonformalism involves many factors. Indeed, I am not in a position to make a conclusion. However, since we are stressing the quality and efficiency of material products and have named this year as quality, variety, and efficiency year, we should also pay attention to the quality and efficiency of spiritual products, including the aforementioned activities. At present, our country is still very poor and we "should not live as if we were well off." Under the present situation in which our country is faced with difficulties in construction, we are really unable to bear such ostentation and extravagance.

Vice Minister on Strengthening Rural Security

HK1012040691 Beijing NONGMIN RIBAO
in Chinese 21 Nov 91 p 1

[Article by Yu Lei, vice minister of public security: "Strengthen Overall Management, Do Good Job of Rural Security"]

[Text] Ever since reform and opening up, public security in rural areas has on the whole remained stable. Most areas enjoy sound social order and peasants have a certain sense of security. However, alongside the significant changes in rural society, many new situations and problems have cropped up in rural areas. Public security there, though relatively stable, also has a grim side. In 1990, criminal cases in rural areas accounted for 52 percent of the total for the country, up by 9 percent over 1989, with a margin of increase 8.6 percentage points higher than that of urban areas. The following problems are currently prominent in rural areas:

The chaotic social order in some county towns, townships, and villages along railways and highways poses a grave threat to the security of the masses in those areas; people loot the property of the state and collectives, as well as materials being transported on railways and highways, and "specialized households" have emerged in certain localities which get rich by "eating" railways and highways; criminal activities such as stealing from and sabotaging oil fields, electric and hydraulic facilities, telecommunications equipment, and transmission lines are rampant, thus severely hindering industrial and agricultural development and public security; the number of large-scale mass conflicts and armed street fights has increased, which has not only caused loss of life and of property of the state, collectives, and the masses, but also reduced public security; some people have created boundary disputes and caused injuries and deaths, regardless of the overall interests of the people; many evil social phenomena, including gambling, prostitution, and patronizing prostitutes, are spreading unchecked in rural areas with serious consequences,

while criminal cases of theft, robbery, and murder caused by gambling are constantly increasing; people indulge in feudal and superstitious practices, activities of offering sacrifices to ancestors and compiling clan genealogical trees are on the increase, and clans headed by "patriarchs" or "secret societies" often replace grass-roots political power.

In recent years, to counter the aforementioned problems concerning rural public security, public security organs in all localities have, under the leadership of local party committees and governments, carried out special-purpose struggles to crack down on various major criminal activities and rectify public order. They have successfully stemmed the tide of crime to a large extent, and basically maintained stability in rural areas. However, for complicated social, historical, and class reasons, crime is a comprehensive expression of various negative factors in society, and with the deepened development of rural reform, new situations and problems will continue to emerge to sabotage public security. Therefore, it is a protracted and arduous task to vigorously take precautions, curtail criminal activities in a prompt and timely manner, and maintain a lengthy reign of peace in society. Party committees, governments, and public security organs at all levels should acquire a correct understanding of and attach great importance to this issue.

To solve problems concerning public security in rural areas, we should concentrate our efforts in the following fields:

The building of rural grass-roots organizations, especially those of township and town governments and village people's committees, should be strengthened. If we want to solve problems concerning public security in rural areas, we must start with the rural grass-roots level, so that every town and village has a strong and effective party organization to guide, take charge of, and impose control over the ideological and political work in the area; handle internal contradictions and disputes among the people; maintain social order; and prevent and crack down on crime.

It is imperative to mobilize and organize forces on all sides, carry out in real terms the principle of comprehensively improving social order, and make concerted efforts to maintain public security in rural areas. To comprehensively improve public security, the whole party, people, and society are required to rise up and participate in the prevention of and crackdown on criminal activities through various ideological, political, economic, cultural, educational, administrative, and legal means.

The key issue for the time being is to make sure that the comprehensive improvement of public security can be carried through at all levels. Leaders at the county, township, and village levels should regard and grasp it as an important task to organize and guide the work of comprehensively improving public security in rural areas. Leading groups for comprehensive improvement

of public security should be established at the county level, and offices established at the township (town) level, so that public security can be effectively improved in light of local conditions in a well-planned way.

The building of rural police substations should be reinforced in a down-to-earth manner. At present, police forces are far from sufficient in rural areas across the country. About one-third of townships (towns) have not yet set up their own police substations, and in a considerable number of already established substations, there are only one or two policemen. Under such circumstances, we should enhance people's understanding of the significance and necessity of building rural police substations, and regard the work as an important content of the building of grass-roots political power.

We should fulfill the task of building rural public security committees down to every grass-roots organization with practical rewards. For many years past, rural public security committees have played an important role in assisting public security organs to maintain social order and prevent and crack down on crime. Public security organs should provide more guidance to rural public security committees, and help them implement the system of personal responsibility as well as regular appraisals among activists.

Propaganda and education in the socialist legal system should be carried out in a sustained and thoroughgoing way. While carrying out socialist ideological education and cultivating new social practices in rural areas, we should pay special attention to publicizing legal knowledge among the rural cadres and masses, so as to enhance their consciousness of behaving in conformity with the law, enhance their ability to safeguard their legitimate rights through legal procedures, and enhance their combat readiness to fight against law-breaking activities with the law as their weapon.

Correction to Item on Jiang Zemin at CPC Meeting
OW0512083291

The following correction pertains to the item headlined "Jiang Zemin at CPC, Nonparty Persons' Meeting," published in the Political & Social section of the 3 December China DAILY REPORT, beginning on page 21, bottom of right-hand column:

Page 22, partial paragraph at bottom of left-hand column, from second sentence, should read as follows: ...In the middle of October, the Standing Committee of the CPC Central Committee Political Bureau deliberated the draft of this document, and also decided to issue the draft to lower-level authorities and solicit views from various quarters. Various localities and departments.... (adding words, rephrasing per recheck)

Page 23, partial paragraph at top of left-hand column, from first line, should read: ...agricultural production capability, 4) carrying out education in socialist ideology

and promoting socialist ethics, democracy, and law in the rural areas, and 5).... (rephrasing per recheck)

Same page, same partial paragraph at top of left-hand column, from end of last sentence, should read: ...principles and policies on helping the poor, developing the western part, promoting family planning, lessening peasants' burdens, and building stronger grass-roots organizations in the rural areas. [new paragraph]

Jiang Zemin pointed out.... (picking up first sentence of first full paragraph in left-hand column, rephrasing and adding words per recheck)

Same page, first full paragraph in left-hand column, second and last sentence of paragraph, should read: ...various sectors in consolidating and developing the successes achieved in rural reform and construction, and work together in.... (rephrasing and adding words per recheck)

Same page, third full paragraph in left-hand column, from end of first sentence, should read: ...Congress next year. Making this meeting a success is the common aspiration of the people of all nationalities across the country. He hoped that.... (rephrasing per recheck)

Military

PLA Prepares for 'High-Level' Personnel Changes
HK1012013691 Hong Kong SOUTH CHINA MORNING POST in English 10 Dec 91 p 10

[By Willy Wo-lap Lam]

[Text] The People's Liberation Army's highest council has held a secret meeting to step up ideological indoctrination and to make way for high-level personnel changes in the coming year.

The enlarged meeting of the Central Military Commission (CMC), which closed in Beijing last weekend, also discussed the international situation, especially China's potentially thorny ties with a disintegrated Soviet Union.

Chinese sources said the CMC conclave, which began on December 2, was the first such meeting since immediately after the Gulf War early this year.

Apart from CMC members, including chairman Mr. Jiang Zemin, participants included the heads of the different branches of the military and regional commanders.

The sources said as the first such gathering after the failed Soviet coup, the enlarged CMC meeting discussed ways to ensure stability in the three million strong Army through promoting ideological control.

The ground was also laid for personnel changes in departments not touched by the major reshuffles in

mid-1990. These included the Navy and Air Force as well as the General Staff Department (GSD).

In the recent year, the PLA has held 1,619 political classes on Marxist theories, including Chairman Mao's teachings on the Communist Party's "absolute leadership" over the Army.

Some 92 per cent of officers with the rank of heads of battalions or above have taken part in the indoctrination sessions.

The question of how to ensure that officers, especially those below 50, remain "trustworthy Marxists" had also been discussed at a national meeting of political commissars in September.

Western military analysts say a few Young Turks within the GSD are being groomed for elevation.

They include Major General Xiong Guangkai, head of the Second Department, which deals with intelligence, and Major General He Pengfei, head of the Equipment Procurement Department. Both have good chances of being promoted GSD vice-chiefs.

The most important personnel question, however, revolves around the future of the CMC Secretary-General and Chief Political Commissar, General Yang Baibing, as well as Defence Minister and CMC member, General Qin Jiwei.

"When CMC Vice-Chairman and President Yang Shangkun retires next year, General Yang, his younger brother, is almost sure to be elevated to the vice chairmanship," a military source said.

"However, patriarch Mr. Deng Xiaoping may want to counter-balance the influence of General Yang, who has made enemies because of his blatant empire-building."

The source said Mr. Deng, who stills maintains dominant influence in the Army, can do it in two ways.

One is to oblige General Yang to give up his Chief Commissar position, which controls personnel appointments.

The other is to retain the services of General Qin, who, aged 76, is due for retirement next year.

A former commander of the crucial Beijing military region, General Qin opposed the use of force to suppress the democracy movement.

Western diplomats said other matters discussed in the meeting included the implementation of a programme to slash up to 500,000 soldiers from the ranks.

PLA Logistics Director on Tasks, 'Tight' Budget

OW0812205391 Beijing XINHUA Domestic Service
in Chinese 0748 GMT 8 Dec 91

[By reporter Guo Diancheng (6753 3013 2052) and correspondent Wang Yihua (3769 5030 5478)]

[Text] Beijing, 8 December (XINHUA)—Zhao Nanqi, member of the Central Military Commission and director of the General Logistics Department of the People's Liberation Army [PLA], said: In the next and subsequent years, the guiding ideology for military logistical work will be paying attention to work quality, adhering to the principle of building the Army through thrift and hard work, doing a good job in restructuring and reform, strengthening logistical management, increasing economic results in military work, and raising the comprehensive capability of logistical services.

Zhao Nanqi made the above remarks at an all-Army logistical work meeting today.

Zhao Nanqi said: Paying attention to quality of work and achieving superiority in quality are the general trend of military development of various countries in the world today. The developed countries have paid attention to achieving superiority in quality, which is reflected in their development of high-technology equipment. Naturally, we should also pay attention to developing modern science and technology and modern equipment in improving the quality of our work. However, we should make such development in accordance with Chinese characteristics. We should, based on our national situation and military conditions, supplement our weakness with the strong points of others. We should strengthen the national economy and the power of science and technology to develop our military capability. We should use our political superiority to make up for the relative weakness in equipment. We should give full play to the initiative of people and make full use of materials. We should make structural changes to improve the function of the whole system. We should improve our management to increase efficiency and benefits. We should use less input to achieve greater fighting capability.

Zhao Nanqi set the following specific requirements for conscientiously implementing the policy of improving quality and doing a good job in logistical work:

On making overall arrangements and ensuring the needs of priority projects, Zhao Nanqi said: The tight military budget is an important factor hindering the modernization of our Armed Forces. Thus, we should pay attention to quality and ensure the needs of priority projects when budgeting military expenses. Under the premise of guaranteeing living necessities to all personnel, we should pool our financial and material resources to ensure that our Armed Forces have the right equipment, to ensure the development of key units, and to ensure that the Armed Forces are more capable of dealing with contingencies.

On improving the structure to increase capability, Zhao Nanqi said: Along with streamlining and reorganizing military units and reform of the logistical system, we should appropriately adjust organizations and facilities. We should pay attention to controlling exceeding the budget in logistical supply.

On concentration and unification and improving management, Zhao Nanqi said: Maintaining a high degree of concentration and unification is a special feature of the Army and is also its specialty. In order to give full play to the role of limited manpower, funds and materials in strengthening the quality of military building, we must run the Army in a strict manner, strengthen centralized and unified management, and strictly observe rules and regulations and organizational discipline.

On consolidating production and promoting what is beneficial and abolishing what is harmful, Zhao Nanqi said: Since the beginning of the 1980's, to make up for a lack of funds, we have made a relatively big adjustment in military production and operations. This has played a positive role in alleviating the contradiction in the supply of and demand for funds and ensuring the building of military units. However, there are also some shortcomings. This calls for consolidating and improving our production and operations, promoting what is beneficial, and abolishing what is harmful. Doing a good job in this area requires adherence to the fundamental function of our Army, orientation in Army building and upholding the standard of combat capability.

On the question of improving work style and serving the grass-roots level, Zhao Nanqi said: Further improving our work for the grass-roots level and ensuring good services for grass-roots level units is the key in improving logistical work style. In paying attention to improving the quality of logistical work in the future, we should use logistical work at the grass-roots level to judge the actual accomplishment of leading cadres and logistics organizations at various levels.

On the question of arduous struggle and building the Army through thrift and hard work, Zhao Nanqi emphatically pointed out: Under the new situation, and carrying forward the revolutionary spirit of arduous struggle and building the Army through thrift and hard work, we must overcome difficulties involving military expenditures and ensure the modernization of our Army and also require resisting corruption and peaceful evolution and maintaining the true qualities of the People's Army. The logistics departments in charge of managing and administering money matters have a great responsibility in this respect.

Book on 'War of Resistance Against Japan' Viewed
HK0212122291 Beijing RENMIN RIBAO in Chinese
14 Nov 91 p 5

[Article by Li Xiannian (2621 0341 1819): "Good Teaching Material on Patriotism—Preface to 'New War and Peace'"]

[Text] Comrade Li Erzhong's magnum opus *New War and Peace*, (with five volumes published by Wuhan People's Publishing House) represents by artistic means the Chinese people's resistance against Japanese aggression from the "18 September Incident" in 1931 to victory in the resistance war on 15 August 1945 and portrays the indomitable spirit of countless heroes and martyrs who fought bravely, one stepping into the breach as another fell, in this period of history.

The War of Resistance Against Japan is an important period of China's modern history. Under the leadership of the CPC, the Chinese people held high the banner of the anti-Japanese national united front, underwent an iron-blood-fire struggle, terminated the Chinese nation's miserable experience of being humiliated by foreign powers, and laid a solid foundation for the victory of the new democratic revolution. Reviewing history in this period is necessary and also of great importance in carrying forward the patriotic spirit, safeguarding national unification and the great unity of all nationalities, carrying forward a self-reliant and hardworking spirit, and building socialism with Chinese characteristics.

In the period of the Agrarian Revolutionary War, the CPC was resolutely opposed to the Kuomintang's erroneous policy of "suppressing domestic turmoil first, and then resisting foreign invasion," and called for a halt to the civil war and unity to resist the Japanese invasion. This was not accepted by the Kuomintang, but was supported by the people of insight at home and the broad masses. In 1935, the Japanese imperialists flagrantly seized north China and pursued their overweening policy of subjugating China and dominating Asia and the Pacific. The Kuomintang made more and more concessions and surrendered China's sovereign rights under humiliating terms. This evoked the 9 December Movement in 1935 and triggered off a nationwide anti-Japanese upsurge. Patriotic Kuomintang generals represented by Zhang Xueliang and Yang Hucheng, who were unwilling to stand aside idly while China was being subjugated by the invaders, bravely created the Xian Incident and demanded a stop to the civil war and national unity to resist Japanese aggression. The CPC gave first consideration to the national interests and did not try to settle old scores with the Kuomintang. This led to the peaceful settlement of the Xian Incident and gave a forceful impetus to the formation of a nationwide anti-Japanese national united front. After the 7 July Incident in 1937, the whole nation rose to resist and armed resistance against Japanese aggression took form.

At that time, when facing the armed aggression of the fascist German-Italian-Japanese "Axis," the United States and Britain had adopted an appeasement policy. In Europe, they sold out Czechoslovakia, Poland, and Hungary through the Munich agreement and also tried to lure Hitler into attacking the Soviet Union and giving up the rest of Europe. [sentence as published] In the East, they continued to supply military materials to Japan, sold out China, and tried to lure Japan into attacking the

Soviet Union and giving up the Pacific. They tried to use these policies to create a situation in which they might effortlessly reap the spoils of contests fought by others. That is, they tried to come out to clear up the mess and dominate the world after the Soviet Union and China on the one side, and Germany, Italy, and Japan on the other, had both suffered from war.

Under these circumstances, the Kuomintang authorities, proceeding from their selfish interests, pursued over a long time the policy of being passive in resisting Japanese invasion, being active in attacking the Communist Party, and trying to seek compromise with the aggressors in order to preserve their autocracy. As a result, an extremely complicated situation arose in the War of Resistance Against Japan and there were a great many difficulties in the anti-Japanese struggle.

The CPC was no longer a political party in its infancy. Instead, the party had become much more mature. The party central leadership with Mao Zedong as the core adeptly used the three "magic weapons" and developed anti-Japanese guerrilla war in the enemy's rear areas, persistently carried out the principle of maintaining independence in the united front, went all out to develop progressive forces, won over the middle ground, isolated the diehards, adopted the three-third system in forming local governments in base areas, adopted the principle of "not attacking unless attacked and always launching counterattacks while being attacked," the policy of fighting "on just grounds, to our advantage, and with restraint" when facing encirclement and blockades imposed by enemies and diehards, pursued the policy of conducting production to meet our needs and streamlining governments and troops, split and demoralize puppet troops and traitors and concentrate attacks on a small number of diehard traitors, and adopted the policy of leniently treating prisoners of war. In short, the party adopted a whole set of correct strategies and policies, led the Chinese people to overcome the danger of compromise and surrender planned by the Kuomintang authorities, and tided over innumerable difficulties. The anti-Japanese base areas were built and the people's armed forces were expanded and strengthened. They became the backbone force in the War of Resistance Against Japan. In the eight years of resistance, the Communist Party and the Eighth Route Army resisted 69 percent of Japanese invader troops in the enemy's rear areas, fought against 95 percent of the puppet troops, and totally wiped out 1.714 million Japanese and puppet troops. Countless heroes sacrificed their lives for the liberation of the Chinese nation.

The CPC headed by Mao Zedong, through combining Marxism with the practice of China's Anti-Japanese War, not only formulated a Marxist political and military line, but also formulated a Marxist line in literature and art. In the "Speeches at the Yanan Forum of Literature and Art," a brilliant party document, Comrade Mao Zedong comprehensively expounded the party's line, principles, and policies for literature and art. Only under the guidance of the "Speeches" could our

party maintain a correct orientation in literary and art work, gradually train and build up a great literature and art contingent, and ensure that literature and art could play a major role in uniting and educating the people and thwarting and defeating the enemy.

In his essay "On New Democracy," Comrade Mao Zedong pointed out: "Any given culture (as an ideological form) is a reflection of the politics and economics of a given society, and the former in turn has a tremendous influence and effect upon the latter." This profoundly reveals the dialectical relationship between culture as an ideological form on the one side, and politics and economics on the other, and affirms the important position of literature and art in the course of revolution and construction. In the socialist period, especially since the Third Plenary Session of the 11th CPC Central Committee, a gratifying situation marked by unprecedented prosperity has arisen in literary and art work under the guidance of the correct principle of serving the people and serving socialism. The socialist contingent in literature and art has grown continuously from strength to strength and many outstanding writers and artists have emerged. The path of literary and art creation has gotten broader and broader; the reflection of social life (both historical and contemporary) deeper and wider; and a large number of outstanding novels, poems, dramas, and films have been created. This is of great significance for upholding Marxist ideology, opposing bourgeois liberalization, uniting and educating the people, and building socialism with Chinese characteristics. Comrade Li Erzong's *New War and Peace* is one of the beautiful and wonderful flowers in the socialist literature and art garden. It is not an accidental event that the novel's publication has evoked strong social repercussions and has been welcomed by many readers.

Comrade Erzong is an old comrade. After his retirement, he continued to work hard and spent eight years writing this 3.8 million-character literary magnum opus. He is a very good example of old comrades who still cherish lofty ideals and work very hard in their late years.

PLA Conducts Education in Socialist Conviction

OW0412150291 Beijing Central Television Program
One Network in Mandarin 1100 GMT 4 Dec 91

[From the "National News Hookup" program]

[Text] [Video opens with a shot of a large classroom with about 100 servicemen seated, listening to Yang Baibing, who is seated on the rostrum facing the servicemen, then cuts to show another group of servicemen outdoors sitting on stools in a circle and listening to a lecturer] Since 1989, in line with the guidelines of the party Central Committee and the Central Military Commission's directive, all units of the People's Liberation Army [PLA] have conducted education in socialist conviction in an extensive and deepgoing way. Their basic method

is to closely integrate their education with the development and change in the international and domestic situation; to understand what the soldiers have on their minds; to use theory and facts as the basis and history as a mirror; and to firmly grasp the two links of the inculcation of theory and the understanding of the national condition. As of now, PLA units have run 1,619 training classes and trained 85,800 cadres at and above the regimental levels on a rotational basis; 92 percent of leading cadres at and above regimental level have attended one to two training classes. Cadres and fighters below battalion level study the basic knowledge of scientific socialism, Chinese and modern history, and the national condition.

From commanders and political commissars of military regions, arms, and services to the principal leaders of divisions and regiments, everyone must conduct investigation and study as well as give specific guidance and personally teach classes. A million cadres and fighters one after another have stepped onto the platform to make speeches on their experiences in study. The practical experience acquired over the past two years has proved that this education plays a significant role in guaranteeing the party's absolute leadership over the Army under complicated circumstances, guaranteeing the Army's stability and concentrated unity, convincing all comrades of the Army with regard to building socialism with Chinese characteristics, and promoting the overall development of PLA units.

Army Paper Promotes Newspaper Evaluation

*HK0212102691 Beijing JIEFANGJUN BAO in Chinese
10 Nov 91 p 3*

[Report by special correspondents Yuan Jianwen (0765 1696 2429) and Zhang Bangbang (1728 6721 6721) and staff reporters Huang Chaowen (7806 2600 2429) and Li Lianying (2621 6647 3057): "It Is Necessary To Deepen Understanding and Raise Quality—Summary From JIEFANGJUN BAO's 'Symposium on Newspaper Reading and Evaluation'"]

[Text] A "symposium on newspaper reading and evaluation" was held by this newspaper from 30 October to 1 November. Fifteen delegates from Units 51379, 51386, 51034, 83367, 53261, 35549, the Xinjiang Hami military sub-region, Fleet No. 519 of Unit 37071, Units 39132, 58026, and 80303, Shijiazhuang's Army Academy, the militia of Xiang village in Hubei Province's Xiangfan City, and other places where JIEFANGJUN BAO's evaluation teams were set up attended the symposium, where they exchanged and summed up the situation and experience concerning the newspaper evaluation activities and deepened their understanding of the significance of these activities. The delegates held that the holding of this symposium was very necessary. Everyone also expressed the same wish: that the quality of newspaper evaluation be raised higher

with this symposium as its new starting point so that newspaper evaluation activities can continue to develop intensively.

1. Basic Experience Drawn From Newspaper Evaluation Activities

Importance given by the leadership. In line with demands posed by changes in this newspaper's layout and with a view to promptly reflecting feedback from readers and running the Army's paper well, 19 newspaper evaluation teams were set up in different units and militias throughout the Army this year. The leaders of the units where such newspaper evaluation teams were set up have given great emphasis to the activities. Some leaders personally assumed the position of team leaders as they not only engaged in organization work, but also took part seriously as ordinary team members in evaluating the newspaper. Some leaders may not have been members of the newspaper evaluation teams, but they personally inquired about the work, offered assistance, and often provided inspections and guidance. Ten of the newspaper evaluation team's delegates to the symposium were either team leaders or department heads. They had taken an active part in organizing the newspaper evaluation activities and placed a high premium on learning and exchanging experiences in this area.

Sound Organization. Following a process of comparison and selection, the units where newspaper evaluation teams were set up generally had teams made up of four to six comrades with a fairly strong sense of responsibility and better education, with members complementing each other. With the newspaper evaluation team serving as the backbone, several newspaper reading and evaluation groups were even set up in the different troops under one unit as a newspaper reading and evaluation network was formed. The sound organization of the newspaper evaluation activities led to a fairly satisfactory solution of the question of "who is to take charge and who is to make the evaluation."

Insist on the system. To make the newspaper evaluation activities a regular event, the comrades attending the symposium offered each other's experiences on the matter. For instance, some insisted on the system of analyzing one article per day (designating a topic and using half an hour each day to read and evaluate a newspaper article), putting up a bulletin board each month (selecting a few good newspaper analyses and putting them up for all to read), and conducting one lesson every quarter (offering lessons based on existing problems in newspaper evaluation); some insisted on training backbone staff (regular or irregular classes for key newspaper evaluation members), reading and evaluation of key articles (conducting sessions to discuss certain key issues for every period or phase), collective newspaper evaluation during the weekends (members of the team would gather to discuss and exchange ideas every weekend), implementing a system of examination and evaluation, and others.

2. How to Intensify Newspaper Evaluation Activities

The comrades at the symposium pointed out that while some achievements may have been obtained after nearly a year of newspaper evaluation, the work carried out by the different newspaper evaluation teams remained imbalanced, with not a few teams failing to achieve the tasks and demands outlined by the newspaper. How to intensify the newspaper evaluation activities thus became a topic of hot contention among the delegates.

Understanding must be deepened. The delegates came upon such a consensus: The launching of the newspaper evaluation activities constituted an important means in articulating the views of readers and fulfilling the objective of the entire party running the newspaper. The running, reading, using, and evaluation of a newspaper represents a complete process. Only when these four links are closely intertwined with one another and boosting each other to form a benign cycle will it be possible to tap the enthusiasm of the people to participate in the running of a newspaper, do a better job in running an Army paper, and allow the newspaper to exercise its functions more effectively.

Newspaper evaluation activities not only involve the running of newspapers, but are also beneficial to the growth of individuals and the building of troops. As newspaper evaluation is an extension of newspaper reading, to do a good quality job of newspaper evaluation requires a careful reading of newspapers and deeper reflection of problems. In particular, collective newspaper evaluation is an activity which stimulates the mind, boosts collective thinking, promotes the exchange of ideas, and makes distinctions between right and wrong. It is therefore beneficial to the development of intellectual capabilities. Careful and comprehensive evaluation of newspaper articles and reports will eventually help one raise one's ideological and theoretical level as well as enhancing one's writing skills and providing an excellent training opportunity. Newspaper evaluation and the integration of its results can also serve to guide, instruct, and stimulate the officers and men of units to read and digest newspapers. This can contribute to an upgrading of the officers and men and bolster the building of the troops.

The delegates maintained that many parties will benefit from an effectively organized newspaper evaluation activity. Once an understanding of the significance of newspaper evaluation activities is corrected and deepened, all misconceptions like: "One cannot afford to make an evaluation due to one's limited education," "not enough energy," "newspaper evaluation is an additional and unnecessary burden," and "newspaper evaluation is belated advice" will be easily clarified, while newspaper evaluation activities may be continued with greater ease.

Quality should be raised. The comrades at the meeting discussed ways to boost the deeper level of newspaper evaluation work. They felt that the job is a difficult one

and requires great efforts and energy. People who, after reading a newspaper article, write a commentary without deep analysis may be making a newspaper evaluation, but this is more likely to be superficial. If quality is to come out of newspaper evaluation, then the latter should not be limited to commentary on one single item, but should be focused on the study of an issue. For instance, with regard to propaganda at major conferences and big activities, reports of important events and festivals, publicizing key experience and models, and the beginning of new columns or special sections, exclusive analysis and studies should be conducted, key features identified, and expectations and suggestions forwarded. Critical views should not only point out problems in a certain report, but the important thing is to stress the study of the existing biases in reports from a certain period. Pointing out trivial mistakes in a certain article may help one gain knowledge, but carrying out a comprehensive study of similar problems from a certain period can make one think harder.

The comrades at the meeting maintained that the two exclusive newspaper evaluation items written by the artillery brigade and the third battalion of a certain combined arms Army in the Beijing military region, namely: "On Publicity of Model Personality in the Army Paper," and "How the Army Paper Can Become Closer to the Grass Roots", respectively, represented very useful explorations on ways to develop in-depth newspaper evaluation activities. Everyone vowed to exert efforts in this direction in order to gradually raise the quality of newspaper evaluation.

Xinjiang Military District Improves Cadre Quality

OW0512054691 Urumqi Xinjiang Television Network
in Mandarin 1655 GMT 4 Dec 91

[By Xinjiang-based station reporter (Zhang Hezhen) and correspondent (Yang Gongcheng); from the "Xinjiang News" program]

[Text] [Video opens with long shots of a meeting room filled with unidentified military personnel; a red banner hanging on one side of the room carries the Chinese characters: "Study, unite, and be clean, honest, and realistic"] The Xinjiang Military District has seriously carried out the Military Commission's requests to learn, unite, and be clean, honest, and realistic. It has scored significant successes in its vigorous efforts to improve the construction of leading bodies at or above the division and regiment levels.

[Video shows medium shots of some unidentified military personnel in a meeting room, pans the room, then shows a group of Army personnel giving a demonstration with a military truck inside the room] In recent years, various units have proceeded from political construction in their efforts to organize systematic studies on fundamental Marxist theories for leading cadres of divisions and regiments. In the past two years, the military district organized over 180 sessions of theoretical study classes

and trained in rotation over 3,600 cadres of divisions and regiments. In view of the ever-changing new situations inside and outside China and actual situations of units stationed in Xinjiang, the military district's party committee has carried out among cadres at or above the regiment levels special education on upholding the four cardinal principles, opposing bourgeois liberalization, holding fast to socialist faith, opposing peaceful evolution, defending national and ethnic unity, and opposing ethnic splittism. It has improved the theoretical quality and ideological awareness of divisional and regimental cadres and enhanced the cadres' consciousness in implementing the party's principles and policies and the military commission's major policy decisions. The military district successively sent 37 (work-experiencing) units to inspect subordinate leading units at or above division and regiment levels. It promoted and employed over 200 divisional and regimental cadres based on the requirements of their having both ability and political integrity, reshuffled nearly 100 units at or above division and regiment levels, and effectively enhanced the organizational construction of the two levels of divisions and regiments.

[Video shows a group of military personnel entering an exhibition hall with the theme "an exhibition on the construction of leading bodies." Video then shows long shots of a meeting room with a banner hanging on one side of the room, reading: "A Forum of Xinjiang Military District on the Construction of Leading Units at or Above Division and Regiment levels." The Xinjiang Military District recently held a forum on the construction of division- and regiment- level leading units in Shawan County. In his speech, Tang Guangcai, the military district's political commissar, asked cadres at all levels to conscientiously transform their world outlook, uphold the party's advanced state, safeguard the party's interest, foster the spirit of being highly responsible for the party's undertakings, enhance concepts on policies and enhance steadfastness and solemnity in implementing policies, unswervingly implement principles and policies of the party Central Committee and the Central Military Commission, and promote the construction of spiritual and material civilizations of military units with their exemplary conduct. [Video shows medium shots of Political Commissar Tang Guangcai speaking from a script]

Jinan Military Region Studies Plenum Communique

SK0512074491 Jinan Shandong People's Radio
Network in Mandarin 2300 GMT 4 Dec 91

[Text] On 30 November, members of the Standing Committee of the Jinan Military Region party committee held a group meeting to study the communique of the eighth plenary session of the 13th party Central Committee and to discuss it conscientiously. They maintained that the decision of the CPC Central Committee adopted at the plenary session on further strengthening agriculture and rural work has fully affirmed our country's tremendous achievements in agriculture and rural

work during the 10 years of reforms, pointed out the existing problems in a fact-seeking manner, put forward the major tasks for the 1990's, and defined principles which the people must follow so as to realize these tasks. It is a programmatic document for our party to guide agriculture and rural work at present and for a considerably long time in the future. The in-depth implementation of the guidelines of the eighth plenary session of the 13th party Central Committee will surely have a profound influence in promoting a comprehensive development of our country's rural work, realizing the second-step strategic objectives, and guaranteeing a long period of order and stability in our country.

The meeting defined: To implement the guidelines of the eighth plenary session of the 13th party Central Committee, the most important thing at present is to study and understand the guidelines of the plenary session successfully. The meeting called on party committees at all levels to take the eighth plenary session guidelines as a guide, do a good job in Army reform and building, and greet the convocation of the 14th National CPC Congress with outstanding achievements.

Shandong Holds Coastal Defense Work Conference

SK0112081591 Jinan Shandong People's Radio
Network in Mandarin 2300 GMT 27 Nov 91

[Text] At the second provincial coastal defense work conference, it was pointed out that Shandong is a coastal province and at the forefront of opening to the outside world as well as struggling between infiltration and anti-infiltration, between subversion and antisubversion, and between peaceful evolution and antipeaceful evolution. These factors have resulted in more arduous and heavier tasks undertaken by our province for the coastal defense. Party committees and governments at all levels must pay great attention to the coastal defense work. Soldiers, policemen, and civilians should make concerted efforts to build a solid wall on the motherland's seas.

The second provincial coastal defense work conference was held in Jinan city from 26 to 27 November. During the conference, Li Chunting, member of the provincial party standing committee, vice governor of the province, and vice chairman of the provincial coastal defense committee, delivered a speech. Yi Yuanqiu, commander of the provincial military district and vice chairman of the provincial coastal defense committee, presided over the work conference.

During the conference, Han Bangju, special adviser of the provincial people's government and vice chairman of the provincial coastal defense committee, delivered a report to describe his observation tours among the border defense facilities in Yunnan Province and Guangxi Zhuang Autonomous Region.

Li Chunting pointed out that major tasks for the current period or a certain period in the future are to earnestly implement a series of directives, principles, and policies

issued by the CPC Central Committee, the State Council, and the Central Military Commission. It can be done by closely following the focal point of opposing subversion, infiltration, and peaceful evolution and to vigorously enhance the struggle against concealed activities as well as the work of consolidating public security in a comprehensive way among coastal localities. Major tasks are also to strictly prevent and resolutely deal blows at the sabotage efforts of both domestic and foreign hostile forces and elements as well as criminal elements; to build an iron defense wall on the sea; to safeguard the country's security; and to maintain the province's stability in politics and society to ensure sustained economic development.

Li Chunting urged the party committees, governments, and relevant departments at all levels in coastal localities to further unify their understanding, to realistically enhance their sense of emergency and missions in successfully conducting the coastal defense work, to vigorously implement the measures of having the masses join in the defense work and the work of consolidating public security, and to establish or improve as soon as possible the system of comprehensive coastal defense. Efforts should be made to enhance the method of the people's dictatorship and to resolutely deal blows at unlawful and criminal activities endangering the national security and social order. Various localities and departments should closely cooperate with each other and commonly join in the work and the management so as to foster the strong joint forces of safeguarding the motherland's coastal defense.

Sichuan Secretary at Statue Unveiling Ceremony

HK2611031991 Chengdu Sichuan People's Radio Network in Mandarin 1015 GMT 22 Nov 91

[Text] This afternoon, entrusted by the party Central Committee, Yang Rudai, member of the party Central Committee Political Bureau and secretary of the Sichuan provincial party committee; Xiao Ke, member of the Central Advisory Commission Standing Committee; and Liao Hansheng, vice chairman of the National People's Congress Standing Committee, arrived in Yilong County to officiate at the Marshal Zhu De bronze statue unveiling ceremony.

Entrusted by Comrade Yang Shangkun, Secretary Yang Rudai laid a basket of flowers in front of the Zhu De bronze statue.

Supported by her relatives, Kang Keqing, widow of the late Marshal Zhu De, laid a basket of flowers and made three deep bows in front of the bronze statue.

Provincial Governor Zhang Haoruo presided over the bronze statue unveiling ceremony.

A total of more than 1,500 people attended the statue unveiling ceremony. They included: Xu Ruxin, deputy director of the CPC Central Committee General Office; Li Shizhong, deputy secretary general of the State

Council; Cheng Jianning, deputy director of the Central Military Commission General Office; Zhu Ming, a relative of the late Zhu De; Li Jiulong, commander of the Chengdu Military Region; and Gu Shanqing, political commissar of the Chengdu Military Region, as well as leaders of the Sichuan provincial party committee, advisory committee, people's congress, government, Chinese People's Political Consultative Conference committee, the Chengdu Air Force Unit, and the Sichuan Provincial Military District, including Nie Ronggui, Ji Hao, and others, veteran comrades of the Central Advisory Committee and the provincial advisory committee, and leading comrades of Nanchong Prefecture.

Comrade Yang Rudai stated in his speech: The late Comrade Zhu De was an outstanding party, state, and military leader cherished deeply by all the people. In his long revolutionary career, he always had strong faith in communism and was loyal to the party, motherland, and people. His revolutionary history became a milestone in the 20th-century Chinese revolution. Today, at a time when we are cherishing the memory of the beloved late Comrade Zhu De, we must learn from his great communist spirit and lofty proletarian quality, rally more closely round the Party Central Committee with Comrade Jiang Zemin as the core, learn from and carry forward the revolutionary spirit and glorious traditions of all veteran proletarian revolutionaries, successfully stand the test for a governing party, the test of reform and opening up, and the test of opposing peaceful evolution, build a great wall of steel against peaceful evolution, adhere to one center and two basic points, steadfastly build socialism with salient Chinese characteristics, work hard, and strive for the development of Yilong, Sichuan, and China.

The nearly 7,000-square-meter Zhu De Memorial Cemetery is situated in the center of Yilong County. The people of the entire country, and from all walks of life in society, have shown great concern for its construction. Many areas have also actively donated funds and materials to support its construction. The Zhu De bronze statue is four meters high; on the front side are four big golden characters, Zhu De Yuan Shuai [Marshal Zhu De], personally written by General Secretary Jiang Zemin. The statue depicts the late General Commander Zhu De wearing a marshal's uniform, smiling, and kindly looking ahead as if forecasting a brighter future for the Republic.

Huang Ju Heads Shanghai Double Support Group

OW0512155491 Shanghai People's Radio Network in Mandarin 2300 GMT 4 Dec 91

[From the "Morning News" program]

[Text] Shanghai Municipality recently formed a leading group in charge of supporting the Army, giving preferential treatment to the families of armymen and martyrs, supporting the government, and cherishing the people in

accordance with the guidelines of relevant State Council and Central Military Commission directives.

The group is headed by Huang Ju, deputy secretary of the municipal party committee and municipal mayor. Its deputy heads include Vice Mayors Liu Zhenyuan and Xie Lijuan; Zhu Xiaochu, political commissar of the Shanghai Garrison; Gong Xinhan, deputy director of the municipal party committee's propaganda department; and Sun Jinfu, director of the municipal government's Civil Affairs Bureau.

Economic & Agricultural

Enterprises To Remain 1991 Economic Work Focus

HK1012020491 Beijing ZHONGGUO XINWEN SHE
in Chinese 1202 GMT 8 Dec 91

[By Tian Huiming]

[Text] Beijing, 8 Dec (ZHONGGUO XINWEN SHE)—With the end of 1991 approaching, China announced the end of its economic improvement and rectification program and predicted that its economic construction would face a new turning point: Will the overheated economy occur again? How should state enterprises be invigorated? How should financial difficulties be resolved? What will be the main tasks of China's economic work in 1992?

An authoritative figure has disclosed that "increasing economic efficiency and financial revenue" will be the main tune of 1992's economic work. "Major operation for enterprises," "large scale technological transformation," "avoiding repetition of construction projects," and "combating extravagance" will be four major movements of the march of 1992's economic work.

Premier Li Peng said that "three conferences" would be held this year: the National Planning Work Conference, the National Financial Work Conference, and the National Enterprise Technological Transformation Work Conference. The three conferences, which are under way or which are to be held later, will introduce a series of new important measures and work out a new blueprint for China's economic work in 1992.

"Major Operation" for Enterprises

Although the slogan of structural readjustment has been chanted for years, the results have been limited. Hence, it is estimated that major action will be taken in the coming year. At present, production of textile machinery, household electric appliances, and tobacco is limited and some losing enterprises have even suspended production. Enterprises which turn out unmarketable products and create overstocking problems will be included in the list to be curtailed. The state will take restrictive measures in granting loans and supplying energy and raw materials to these enterprises. Processing industries with excessive production capacity will be

shut down, suspended from production, merged, or switched to the manufacture of other products.

Processing industry has developed rapidly over the years. As a result, supplies of some products have far exceeded demand. A number of small textile mills, sugar refineries, tobacco factories, breweries, and automobile factories with the capacity to turn out scores of vehicles every year have risen in swarms. Their product mix and industrial set up are indeed irrational.

If these enterprises are shut down, it might affect overall stability. However, some experts believe that the current situation is stable and that suspending production of some enterprises and shutting down failing factories will do no harm to the overall situation. It seems that the time for "major operation" in enterprises in the coming year has become ripe and that real action will be taken in structural readjustment.

Large Scale Technological Transformation

China's various localities suffered from a "thirst for investment in capital construction" over the years. The diagnosis and treatment proved effective. Now, officials from the economic field have reached a common understanding. Instead of spending huge funds to import full sets of foreign equipment and build large factories, it would be better to spend less money and import advanced technology to transform existing enterprises.

The National Enterprise Technological Transformation Work Conference, which is to take place in mid-December, will announce specific projects concerning enterprise technological transformation in the coming year. It has been reported that funds invested by the state will exceed all previous amounts. The state will also allocate a considerable amount of foreign exchange to carry out large scale enterprise technological transformation.

Vice Premier Zhu Rongji, who is in charge of national industry and transportation, will personally take care of the large scale enterprise technological transformation work, which is aimed at invigorating old enterprises and increasing enterprise efficiency in an all-around way.

Avoid Repetition of Construction Projects

An authoritative official pointed out the other day: Duplication and the blind importation of foreign equipment constitute a chronic disease in China's economic construction. It is also a prominent problem which should be resolved with great determination.

The rivalry to import color television set production lines and color film production lines has now become a bitter fruit, resulting in overstocking of color television sets, color films, and photographic paper, and manufacturers getting into heavy debt.

China's top economic levels have made a policy decision on suspending examination and approval of projects

which turn out oversupplied products. The practice of leading cadres approving projects with a piece of paper must be strictly banned.

The public has realized that duplication has caused a huge waste of funds and aggravated the irrational industrial setup, resulting in a large amount of productive forces lying idle and declining economic efficiency.

Combat Extravagance

For the sake of saving state financial expenses, it is said that there will be large-scale, widespread nationwide activity against extravagance. These activities will include checking the practices of entertaining guests, offering gifts, eating and drinking, and traveling at public expenses; screening all kinds of "festivals," "celebration activities," and "meetings"; reorganizing unnecessary societies, associations, federations, and foundations; playing down all kinds of ribbon-cutting ceremonies, inauguration ceremonies, and previews; and reiterating the ban on "three irregularities," the indiscriminate collection of fees, fines, and exaction of charges.

Extravagance, a long-standing unhealthy tendency, has become environmental pollution. As the central authorities are determined, it is estimated that positive effects will be achieved in the nationwide drive against extravagance in the coming year.

Industrial Inefficiency May 'Hamper' Growth

HK0812043191 Beijing CHINA DAILY in English
8 Dec 91 p 1

[By staff reporter]

[Text] As the Year of Goat draws to a close, a group of government economists have unveiled a mostly-positive economic scenario for the coming Year of Monkey.

Their forecasts concluded that 1992 will see a stable economic growth, based on the level of this year. But they warned that industrial inefficiency could hamper that growth if it isn't checked.

In 1992, the Gross national Production is expected to rise about 7 percent while the national income will increase in the range from 6 to 7 percent.

The conclusions came from a joint effort by the State Statistics Bureau and an economic research institute under the Chinese Academy of Social Sciences.

Their analysis projects that:

- The agricultural growth rate will be 3 to 4 percent, while the industrial growth rate will be 11 to 13 percent.
- The investment on fixed assets will be about 583 billion yuan (\$110 billion), and the total wage volume will jump about 14 percent.
- The price index on retail sales will rise 5.5 to 6.5 percent, and the cost-of-living price index will increase by 6 to 7 percent.

Retail sales will grow at 12 percent.

—Revenues will grow faster than expenditures, a rise of 8.4 percent versus 7 percent.

Economists said that the central government recently seems to have halted the austerity programme, which was initiated in late 1988 because of sluggish sales and strong demand for investment.

Both industrial and economic efficiency have been bouncing back, although the indicators are showing a weaker recovery for economic efficiency.

Despite the recovery, some deep-rooted economic woes highlight the need for revamping the industrial structure, which merits immediate attention, the economists said.

"If those problems cannot be solved, it will be very difficult to maintain the momentum of the current healthy industrial development," one economist said.

Symposium on Building Socialist Economic Order

HK0912030891 Beijing RENMIN RIBAO in Chinese
25 Nov 91 p 5

["Academic Trends" column by Xu Maokui (1776 5399 7608): "Probe Into Socialist Economy With Chinese Characteristics"]

[Text] The sixth national symposium of the institutions of higher learning on theory and practice of the socialist economy was recently held at Hunan's Xiangtan University. The academic meeting deeply discussed some major economic theoretical and practical issues concerning the implementation of the 10-Year Development Program and the Eighth Five-Year Plan under the guidance of Comrade Jiang Zemin's speech at the meeting to celebrate the 70th anniversary of the CPC's founding and according to the spirit of this year's central work conference on further improving large- and medium-sized state-owned enterprises.

Comrades attending the meeting all deepened their understanding of the importance and urgency of building socialism with Chinese characteristics from the strategic viewpoint of resisting "peaceful evolution," and realized that this will provide a solid material foundation for resisting the imperialists' "peaceful evolution" strategy and guaranteeing that our socialist system will always hold an invincible position. Therefore, our country's economic development and reform must adhere to the socialist orientation and must maintain the dominating position of public ownership. This thus requires us to strengthen guidance and management over the nonpublic economies and, more importantly, to promote the continuous development and improvement of the public economy.

Comrades attending the meeting held: Whether the economic efficiency of the large and medium-sized state-owned enterprises is high enough is an important issue that has a direct bearing on whether the dominating

position of the public economy can be consolidated and whether the superiority of the socialist system can be brought into full play. Some large and medium-sized state-owned enterprises still lack dynamism and do not achieve satisfactory economic results. The reasons not only lie in problems in their internal management, but also in problems in the external environment. The internal problems mainly are as follows: The payroll of an enterprise is not properly linked to the economic results of the enterprise in the implementation of the contracted management system; the enterprises do not have a strong sense of market competition; some enterprises are only eager to enlarge their production size and increase their output value, and neglect product quality and technological transformation; the egalitarian practice has reappeared in the internal distribution of income; the old system of eating from the big pot and keeping the iron rice bowl has not been thoroughly changed in some enterprises; it is hard to overcome the problem of overstaffing in some enterprises; and other problems. In the external environment of the enterprises, there are mainly two problems: First, some reform measures which are ineffective and improper have brought about problems in the external environment. For example, enterprises' rights specified by the "Enterprise Law" have not been actually guaranteed; the macroeconomic policies are biased in favor of nonpublic economies; too heavy burdens are loaded on large and medium-sized enterprises; and no appropriate measures have yet been adopted for protecting state-owned enterprises in the course of reform and opening up. Second, because enterprises are not separated from administrative institutions in the management structure, there remains too much government interference in the operation of the enterprises. The state's function as the owner of the assets is mixed up with its functions in administrative management and macroeconomic control. No necessary management powers are actually delegated to the enterprises as business entities in the commodity economy.

People attending the meeting agreed with the six criteria for judging the business dynamism of the enterprises which Premier Li Peng put forward at this year's central work conference. At the same time, they also held that the key point is the achievement of higher productivity and economic efficiency. Many symposium participants said: Continuing to improve the contracted management responsibility system is an important condition for improving large and medium-sized enterprises. In our country, under the conditions of a planned commodity economy, the adoption of the contracted management system in state-owned enterprises is an effective form for properly separating management from ownership in enterprises owned by the whole people and properly combining the planned economy with market regulation. The key to perfecting the contracted management system now lies in forming different management contracts, properly guiding enterprise behavior, and properly organizing the coordinating work of the departments for assigning contracts. As for the issue of adopting the

stock-holding system on a trial basis among state-owned enterprises, the work should be advanced according to our country's specific conditions with the scope of experiments being expanded steadily, and no reckless and hasty action should be taken. This is because we still need to consider further the nature of the stock-holding system and to enact the relevant laws and regulations, and have yet to assess state-owned assets. If the stock-holding system is now immediately adopted across the board, it may cause losses to state-owned assets. Moreover, the property rights of stocks with various enterprises have not been clearly defined, and the securities markets are just in the embryonic stage.

Some comrades pointed out: To actually improve enterprises, it is not only necessary to strengthen the mechanisms of incentive, constraint, and coordination, but it is also necessary to reform relations of property rights and construct the mechanism of property rights. This should mainly be aimed at solving issues at four levels. First, make clear the ownership in legal terms—that is, the property—is owned by the whole people. Second, make clear the ownership in economic terms and make the national administration of state property perform its functions. Third, clearly define the actual holder of the assets owned by the whole people and establish corporations (qi ye fa ren 0120 2814 3127 0086) to hold the property rights. Fourth, establish the management power for the operation of the state-owned assets. In the present economic life of our country, "market slackness" directly affects the dynamism and efficiency of the large and medium-sized state-owned enterprises. Symposium participants held that the continuing market slackness in our country is a structural problem on the whole. That is, some goods are oversupplied or unsalable, while other goods are in short supply. The factor that directly caused the market slackness was the overheated economic activities a few years earlier, but the reason at a deeper level is still related to the enterprises' lack of dynamism and the rigidity of the economic management structure. Therefore, the fundamental way to overcome the market slackness is to deepen reform, exercise effective macroeconomic control, and quicken the adjustment of the industrial structure. In the microeconomic field, it is necessary to encourage the enterprises to develop new products and to seek their existence and development through market competition. At the same time, it is also necessary to quickly solve the unreasonable phenomena in the distribution of individual income, adjust the consumption structure of the residents, reform the housing system, and rationalize the consumption behavior of the residents.

National Seminar Views Taxation Theories

HK0412063691 Beijing RENMIN RIBAO in Chinese
13 Nov 91 p 5

["Academic Trends" column by Hu Xin (5170 2946): "Strengthen Functions of Taxation, Deepen Reform of Taxation System—Roundup of Views Put Forward at 1991 National Seminar on Taxation Theories"]

[Text] The 1991 National Seminar on Theories of Taxation was held in Hangzhou during early October. Over 190 leaders, experts, and scholars from the China Taxation Institute, universities, colleges, research units, and departments concerned attended the seminar. Participants conscientiously studied and discussed the spirit of the recent Central Work Conference. They unanimously held that the policy put forward at the Central Work Conference for revitalizing large and medium enterprises shows the direction for consolidating the results of economic improvement, the rectification program, and deepening reform over the past three years and for resolving some underlying problems in current economic work. Delegates unanimously maintained that it is necessary to implement conscientiously the spirit of the Central Work Conference, deepen tax system reform, further strengthen the functions of taxation, and revitalize large and medium enterprises to serve the second-step strategic objective of modernization. The following is a comprehensive summary of the seminar:

I. Bring Functions, Role of Taxation Into Full Play; Promote Integration of Planned Economy, Market Regulation

Delegates at the seminar unanimously held that strengthening the vitality of large and medium state enterprises, increasing their economic returns, and promoting development of the planned commodity economy based on the socialist system of public ownership, objectively demands the organic integration of the planned economy and market regulation. As a regulating lever for the national economy, taxation plays an important and irreplaceable role in balancing the overall national economy, rationalizing the economic structure, and straightening out the distribution relations.

Delegates said: In recent years, taxation has played an increasingly important role in implementing the state's industrial policy; readjusting the industrial structure; creating an external environment for enterprises to share fair tax burdens and to engage in rational competition; straightening out distribution relations; and supervising microeconomic activities. Because taxation policies have not been standardized, the tax system has not been structured very rationally. Driven by profits and with shortcomings in the financial system, the regulatory and controlling functions of taxation have not been brought into full play. Rather, adverse control and regulation has even occurred. For this reason, delegates at the seminar held that we should strengthen the macroscopic regulatory and controlling functions of taxation in the following four aspects:

1. Improve the tax system structure, use the tax burden policy reasonably, and bring into play the rewarding and limiting functions of taxation on the basis of excluding executive interference in taxation from outside while promoting use of the macroeconomic and industrial policies.

2. Standardize tax policies, centralize taxation power, strictly define limits of taxation power, straighten out tax exemption order, and bring into full play taxation's role in regulating and controlling a fair tax burden, encouraging competition, and increasing economic returns.

3. Define the nature of transit tax as an indirect tax and distinguish tax revenue from an enterprise's costs and profits, encourage enterprise's to increase returns by reducing costs, and alleviate the contradictions arising from the lack of distinction between prices and profits. Separating taxes and profits enables the enterprise to deal with the question of its own development after its post-tax profits have been increased.

4. Improve taxation mechanisms and strengthen the supervisory function of taxation. Set standardized criteria for pre-tax items for the enterprise, encourage the enterprise to improve the economic accounting system, and increase the enterprise's economic returns.

II. On Question of Tax System Reform

The majority of deputies maintained that it is necessary to affirm the enormous achievements China has made since the Third Plenary Session of the 11th CPC Central Committee. The current tax system consists mainly of the transit and income taxes. It is a compound tax system which matches other kinds of taxes and repeated and multi-layered levies. It basically meets the objective demand of the development of the planned commodity economy at the present time. For the next step in deepening the tax system reform, it is necessary to base on the current tax system rather than using another taxation pattern. Deputies at the seminar unanimously held: The idea of "centralizing taxation power; sharing a fair tax burden; gradually straightening out the tax system structure; strengthening management of tax revenue; managing taxation in strict accordance with law; and bringing into full play the important role of taxation in increasing financial revenues and in macroeconomic control and regulation in keeping with the principle of standardizing taxation policies," which was confirmed in the 10-Year Program and "Eighth Five-Year Plan," conforms with China's national conditions and should be used as a guiding principle for tax system reform.

Everyone held that in deepening tax system reform, we should change the system which mainly stresses increasing the categories of taxes to one stressing readjustment of the tax system structure and perfecting its content and that the emphasis of reform should be placed on creating various kinds of major taxes. The following are concrete suggestions:

1. Improve and perfect the transit tax system structure. Institute a double-layer tax system which regulates transit taxes and integrates universal regulated tax categories and special regulated tax categories.

2. Improve and perfect the income tax system structure. Institute a standardized income tax system for enterprises, reduce the income tax rate for large and medium

state enterprises to 33 percent, cancel the regulating tax, and extend loans to them after they have turned in taxes to create an external environment for increasing the vitality of large and medium state enterprises. Vigorously set up experimental areas to practice separation of taxes and profits. Many comrades maintained that there are basically enough conditions for income tax reform and that we should seize the present opportunity, which is an extremely favorable time, to vigorously carry out this reform.

3. Improve local tax systems; modify, simplify, and improve taxes levied for special purposes; study the imposition of the social insurance, legacy, and gift (zeng yu 6362 0056) taxes.

III. On Question of Tax Burden

Delegates maintained that the tax burden question reflects the relations of interest distribution between the state, the enterprise, and the individual, and is a central question about the tax system. Studying and establishing a reasonable tax burden system is of great and actual significance to strengthening the vitality of large and medium enterprises, alleviating financial difficulties, deepening tax system reform, and improving taxation.

Delegates maintained that the following factors should be considered when measuring an enterprise's ability to shoulder a tax burden: First, according to China's productive level, the enterprise must not shoulder a heavier burden than it can bear; second, we should fully understand that China's financial characteristics are of a developing type; and third, we should correctly use the various data and information and pay attention to their unity.

Article Views 'Major' Tax Reform Proposals

HK0612071491 Hong Kong CHING CHI TAO PAO
in Chinese No 47, 25 Nov 91 p 15

["China Economic News" article: "State Administration of Taxation Reveals Major Reform of Taxation System in 1990's"]

[Text] Jin Xin, director of the State Administration of Taxation, revealed during a meeting the following tentative ideas on the reform of China's taxation system in the 1990's.

Further reforming the income tax system. The income tax system for Chinese enterprises will be standardized, the tax rate will be lowered, and a banded tax rate system will be introduced. After a certain period, this income tax system for Chinese enterprises will be combined with the income tax system for enterprises run with foreign capital and foreign-funded enterprises, and all enterprises will be put under a unified PRC Income Tax Law.

Reforming the current fund turnover tax system [liu zhuan shui 3177 6567 4451]. An added value tax system

will be widely enforced in all links of industrial production and the tax rate system will be simplified. A product tax will be levied on some items where special regulation is necessary, and a current fund turnover tax system will be introduced based on two-tier regulation by levying value added tax and a product tax. After that, the two existing current fund turnover tax systems, one applicable to Chinese enterprises and the other to firms related to foreign interests, will be unified.

Local tax systems will be reformed. A sound local tax structure will be set up and sources of local tax revenue will be gradually expanded.

Rules for New, Hi-Tech Enterprises

HK0612060991 Hong Kong CHING CHI TAO PAO
in Chinese No 48, 2 Dec 91 p 8

["China Economic News" article: "State Taxation Administration Spells Out Regulations on Taxation of Foreign-Related Income in High-Tech Industrial Development Zone"]

[Text] China's State Taxation Administration recently came out with new regulations on the taxation of income of foreign sources at the new, high technology industrial development zone:

1. Sino-foreign joint venture enterprises which are designated as new, high technology enterprises and which are set up with the State Council's approval inside new, high technology industrial development zones (known henceforth as development zones), once the stipulated period of preferential tax exemption treatment expires, may apply for special considerations such as tax reduction and tax exemption within a given period of time in case of real difficulty with tax payment. The application will be examined by the local taxation organ and submitted for approval by the State Taxation Administration.

2. Foreign-funded enterprises set up inside the development zones and designated as new, high technology enterprises will enjoy a 15 percent reduction in income tax rate starting on the fiscal year of its designation as new, high technology enterprises.

3. Foreign-funded enterprises designated as new, high technology enterprises and established in the state's new, high technology industrial development zones found in the open coastal economic zones may choose one of the preferential taxation policies offered by either the open economic zone or the industrial development zone, but not by both zones.

4. Foreign-funded enterprises which are designated as new, high technology enterprises and set up inside development zones may apply for accelerated depreciation of equipment and facilities used in the development of new, high technology and in the production of new, high technology products. Application will be examined by

the local taxation organ and submitted for approval by the State Taxation Administration.

Official Answers Questions on Foreign Exchange

HK1012081691 Beijing RENMIN RIBAO
in Chinese 2 Dec 91 p 2

[Report: "Important Reform in Foreign Exchange Control—Official From State Administration of Foreign Exchange Control Answers Reporter's Questions on Regulating Foreign Exchange of Domestic Residents"]

[Text] The State Administration of Exchange Control promulgated the "Provisional Regulations on Regulating Foreign Exchange of Domestic Residents and Foreign Exchange for Domestic Residents Going Abroad for Private Purposes" not long ago. This reporter interviewed the responsible person of the State Administration of Exchange Control on this.

Question: What is the significance of promulgating the provisional regulations?

Answer: Allowing domestic residents to sell their foreign exchange at the domestic foreign exchange regulation market price and domestic residents going abroad for private purposes to buy foreign exchange from the bank is an important reform of policy regarding China's foreign exchange control which embodies the state policy for Overseas Chinese affairs, safeguarding the economic rights and interests of Overseas Chinese, returned Overseas Chinese and dependents of Overseas Chinese.

Since 1978, the state has resumed the policy of encouraging overseas remittances by issuing coupons for supplying consumer goods sent from overseas; this practice has played a rather good role in improving the supply of consumer goods to returned Overseas Chinese and dependents of Overseas Chinese under the circumstances that consumer goods were in rather short supply. With the gradual improvement of market supply over the past 10 years or so, this practice of issuing coupons for supplying consumer goods sent from overseas can no longer meet the demand of returned Overseas Chinese and dependents of Overseas Chinese at different tiers. This being the case, it is necessary to improve the policy for overseas remittances.

Overseas remittances and foreign exchange in domestic residents' hands entering the foreign exchange regulation market will enlarge the sources of hard currency on the foreign exchange regulation market; at the same time, it will provide convenience and benefits to returned Overseas Chinese, dependents of Overseas Chinese and domestic residents. Furthermore, it is of important significance to suppressing black market speculation and speculation in foreign exchange and to maintaining monetary order.

Question: How do domestic residents sell or purchase foreign exchange on the regulation market? What are the differences between the new regulations and the old?

Answer: Beginning 1 December 1991, domestic Chinese residents and foreign nationals (including stateless people) permanently residing in the PRC may sell their overseas remittances, foreign currency bank deposits, or foreign currency in their possession to the banks designated by local branches of the State Administration of Exchange Control (shortened to banks hereafter) at the state purchase price based on the regulated foreign exchange rates announced by the State Administration of Exchange Control's local branches.

Domestic residents ready to visit relatives overseas, emigrate, or study abroad or who have need of foreign exchange for other purposes can purchase foreign exchange from a bank at the regulated foreign exchange rates selling price announced on that particular day.

Upon receiving an overseas remittance, domestic residents may choose to: 1) Sell the remittance to a foreign exchange regulating center via a bank; 2) convert the remittance into a foreign currency deposit; or 3) sell the remittance to a bank at the exchange rate announced by the State Administration of Exchange Control and receive coupons for the supply of goods sent from overseas.

Thus, comparing the new and the old practices, we find: 1) A domestic resident may get a higher return with greater choice and flexibility by selling his foreign exchange to a foreign exchange regulating center at its regulating price through the bank than by selling it directly to the bank at its foreign exchange quotations. 2) The state will continue to allow domestic residents to deposit their foreign exchange in banks, and they can continue to sell it to the bank according to the published quotations, while receiving coupons for the supply of goods sent from overseas; these two points remain unchanged.

Question: Are the unexpired coupons for the supply of goods sent from overseas in the hands of dependents of Overseas Chinese still effective?

Answer: Yes. They can still be used at local stores specializing in such operation.

Question: What procedure do domestic residents have to go through should they want to sell their foreign currency deposits or foreign currency? Do they have to account for the origin of their foreign exchange?

Answer: Any domestic resident who has foreign currency deposits in the bank can tell the bank that he wants to sell his deposits to the foreign exchange regulation center, and the bank will pay him, based on the sum sold by the depositor, an equivalent in Renminbi at the foreign exchange regulation market rate announced by the local branch of the State Administration of Exchange Control.

When any domestic resident wants to sell foreign currency in cash, he may do it at the bank designated by the local branch of the State Administration of Exchange Control. The bank only checks the seller's identification

card or a foreign national's certificate of permanent residency, and no questions will be asked about the origin of the foreign currency.

Question: Will participation in regulation at the foreign exchange regulation center's rates be allowed for foreign currency in the hands of foreign nationals, Overseas Chinese, Hong Kong and Macao compatriots, and Taiwan compatriots?

Answer: The "Provisional Regulations on Regulating Foreign Exchange of Domestic Residents and Foreign Exchange for Domestic Residents Going Abroad for Private Purposes" promulgated yesterday stipulate that they are confined to domestic residents, excluding foreign nationals, Overseas Chinese, Hong Kong and Macao compatriots and Taiwan compatriots who have not yet acquired permanent residency in the PRC.

For their convenience in shopping and expenditure, the foreign exchange coupons administration system is implemented regarding foreign nationals, Overseas Chinese, Hong Kong and Macao compatriots and Taiwan compatriots making brief visits to China, people permanently stationed in China for work, experts, and foreign students. The foreign currency in their possession can be converted into foreign exchange coupons at the foreign exchange rates announced by the State Administration of Exchange Control, to be used in expenditure of all kinds within the PRC while enjoying the treatment accorded foreign exchange coupons. It follows that the foreign exchange in the possession of the aforesaid people will not participate in regulation.

Process To Absorb Surplus Labor Outlined

HK0612014591 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0903 GMT 26 Nov 91

[Text] Beijing, 26 Nov (ZHONGGUO TONGXUN SHE)—According to statistics by China's authoritative departments, there are currently 120 to 150 million surplus laborers in China's rural areas. This figure will grow to 250 to 300 million by the end of this century. Absorbing and properly arranging such an enormous labor force is now a serious concern of the authorities.

Relevant data show that farmers currently account for 73 percent of the total population. As the economy develops, shifts in labor force away from agriculture becomes an irreversible trend. Sociologists point out that given China's national situation, we need to study seriously the following aspects if we are to bring this shift in China's agricultural labor force under strategic control:

First, we must conduct in-depth and extensive development in agriculture, turning it into a more labor-intensive industry. For instance, in the next decade the state will increase inputs in agricultural development, harness in a planned fashion large lakes and rivers, build a number of water conservancy projects, widen irrigation areas and build a number of bases that produce steadily

large volumes of commercial farm products. Such in-depth and extensive agricultural development will entail an input of tens of thousands of peasant laborers.

Second, continue to take small towns as the bases, develop steadily township and town enterprises, develop processing and service industries with the purpose of absorbing the local labor force. According to statistics, there are close to 20 million township and town enterprises nationwide employing over 100 million people. There are 2,300 counties and some 9,500 towns nationwide, not to mention the many market fairs that are growing into towns. These places have great potential for developing secondary and tertiary industries and can provide jobs for rural surplus labor.

Third, opening up wasteland is another effective way to absorb rural surplus labor. According to statistics, there is still 500 million mu of unexploited wasteland, 1.1 billion mu of unexploited hills and slopes in China; and 600 million mu of shrubbery, which must be remade to become useful. Altogether there is 2.2 billion mu of land. With the right measures, rural surplus labor can be diverted to the development of these "three kinds of unexploited wasteland." If each laborer manages 20 mu, we will need some 100 million laborers. Of course, opening up wasteland will proceed under the premise of preserving the ecological balance.

The fourth way is to let cities and rural areas complement each other by sending labor force into cities and out of the country. That is to say, rationally establish a flow mechanism that enables rural surplus labor force to flow, in a planned fashion, into cities to fill the cities' employment "gaps," while sending labor overseas. Employment pressure will be eased by diverting the labor force into these two different streams—domestic absorption and overseas labor missions. However, expanding international labor exports and filling in city gaps have not absorbed too large a volume, if only in terms of recent developments. Anyway, they remain as ways to absorb rural surplus labor force.

Concerned experts pointed out that international experiences show that the outflow of farm labor is in fact a process of agricultural modernization that will professionalize, commercialize, and socialize agriculture. With China, a big country with 800 million peasants, the solution of this problem will be a long-term and gradual process.

Jiang Zemin, Others Write Silk Firm Inscriptions

OW0612091991 Beijing Central People's Radio Network in Mandarin 2230 GMT 5 Dec 91

[From the "News and Press Review" program]

[Text] Today is the 40th anniversary of the founding of China National Silk Import and Export Corporation. Jiang Zemin, Li Peng, Li Xiannian, Wang Zhen, Peng Chong, Wang Renzhong, Chen Muhua, Liu Huaqing and

other leading comrades recently wrote inscriptions for the corporation in celebration.

Silk is one of our country's traditional export products, and its export volume constitutes 80 percent of this product. In 1990, the value of its exports reached \$1.95 billion, tantamount to three times as much as that in 1978. This year the amount of its export will exceed \$2 billion.

While the amount of exports is on the increase, the composition of export products is also improving. In the 1950's, only raw materials played the dominant role in China's silk exports, while now we have developed the export of raw silk, satins, and finished silk products on an equal basis. The proportion of silk garments and manufactures in export has exceeded 40 percent. In the 1950's, our silk was mainly sold to the Soviet Union and East Europe, while now our market has expanded to the United States, West Europe, the Middle East, Japan, Hong Kong and Macao, totaling 102 countries and regions. Our ancient Silk Road has extended to all places in the world.

Li Peng Speaks on Beijing Municipal Construction

OW0712210991 Beijing XINHUA Domestic Service
in Chinese 1024 GMT 7 Dec 91

[By Central People's Broadcasting Station reporter Luo Guanxing (5012 6034 2502) and XINHUA reporter Zou Aiguo (6760 1947 0948)]

[Text] Beijing, 7 Dec (XINHUA)—A strategic project to improve Beijing's traffic—the Xixiang project—was formally begun today. Li Peng, premier of the State Council, cut the ribbon for the project's inauguration.

The Xixiang project was started in August 1990 and is another large municipal construction project following the Asian Games. The Xixiang project connects the north-south flow, starting from the south end of Fuxingmen in the north along the west side of Xihucheng He and passing through the five major cloverleaves at Xibianmen, Tianningsi, Guanganmen, Baizhifang and Caihuying. The six-lane main highway has a total length of 4.95 kilometers. The newly build and rebuilt roads cover an area of 504,000 square meters. The highway system is composed of five cloverleaves and 10 flyovers for pedestrians, which have a total length of 6,128 meters and occupies an area of 106,000 square meters. Traffic can flow through the lanes without a single traffic light. The completion of the Xixiang project creates a new main highway connecting the north-south flow in the western part of the capital.

An inauguration ceremony was held on the new Tianningsi Cloverleaf. Li Peng, Li Ximing, Chen Xitong and Luo Gan as well as responsible persons of concerned departments of Beijing Municipality attended the ceremony.

Beijing Mayor Chen Xitong made a speech at the inauguration ceremony. He said: Through arduous work for 16

months by nearly 10,000 staff members and workers of planning, designing, removing and construction departments, the project is wholly completed ahead of schedule in a satisfactory manner with the cooperation of other concerned departments and the broad masses of residents. It is the largest and most difficult traffic project in the history of the municipality. It is another victorious song of communist cooperation composed by people of the entire municipality under the leadership of the party and government following the Asian Games project. It has fully demonstrated the correct leadership of the Communist Party and the superiority of the socialist system.

Chen Xitong said: Traffic problem is a conspicuous and urgent issue faced by the capital at present. Therefore, we must solve the problem in a serious manner. He pointed out that, with the care of the party Central Committee and the State Council and support from people of the whole country and compatriots and friends abroad, the great capital for 1.1 billion Chinese people can certainly be further improved by governments and people of several generations through hard work and by relying on efforts of people in the whole municipality.

Following the ribbon cutting ceremony, Premier Li Peng met with representatives of advanced individuals and model workers who have made outstanding contributions in the construction project.

In his speech, Li Peng said that, as a responsible comrade of the State Council and a resident of Beijing Municipality, he was very glad to attend the inauguration ceremony for the Xixiang project today. He said: In recent years, Beijing has made very good progress in municipal construction. The Dongxiang and Xixiang projects are outstanding examples. These projects play a great role in alleviating Beijing's traffic problem. They are not only conducive to promoting economic construction but will also provide convenience for the masses. Facts have proven that, under the leadership of the municipal party committee and government, great accomplishments can be made by encouraging initiative of various sectors. On behalf of the party Central Committee and the State Council, he expressed sincere appreciation of the outstanding contributions to the Xixiang construction project made by designers, construction workers, technological personnel and leading cadres in charge of the work.

Li Peng said: The construction of a new Beijing will take the efforts of present and subsequent municipal authorities and people of several generations. He expressed the hope that various localities will take the initiative in city construction and act according to their capability. He said: We should gradually rebuilt old cities and built new ones in a well-planned manner. He wished Beijing achievement of even greater success in municipal construction.

After the inauguration ceremony, Premier Li Peng and others rode in cars to inspect the Xibianmen, Tianningsi, Guanganmen, Baizhifang and Caihuying cloverleaves.

East Region

Li Zemin Speaks at Water Conservation Work Site

OW0912132291 Hangzhou ZHEJIANG RIBAO
in Chinese 3 Dec 91 p 1

[“Implementing the Guidelines of the Eighth Plenary Session of the 13th Central Committee, the Province Begins ‘Water Conservancy Month’”]

[Excerpts] On the morning of 2 December Li Zemin, Ge Hongsheng, and other provincial party, government, and military leaders led more than 150 provincial government cadres to the Maoergang work site of the East and West Tiaoxi flood control works in Huzhou to do physical labor on the construction of water conservancy projects.

In accordance with the State Council's plan, Zhejiang has started the construction of six backbone projects in the Taihu Valley one after another, and some of the projects are now in early-stage preparations. The construction of the project at Taipu He in Zhejiang and the East and West Tiaoxi flood control works is now under way; the construction of the project at Xiaomeigang, which is a section of the round-the-lake dike in Zhejiang, has also begun; and the early-stage preparations for the second outlet for the southern drainage of the Hangjiahu are now in full swing. The construction of the floodgate cofferdam project started at the end of October, and everything is going along very well. To promote the development of water conservancy, provincial leaders rushed to Maoergang water conservancy work site to do physical labor. [passage omitted]

Provincial leaders also doing physical labor at Maoergang water conservancy work site on 2 December were Liu Feng, Xu Xingguan, Sun Jiaxian, Liu Xirong, Zhang Xueyi, Chen Anyu, Wu Minda, Yang Bin, Li Debao, Shang Jingcai, and Long Anding. Major Generals Wu Quanxu and Gong Huaqing, leading cadres of a certain Army group stationed in Zhejiang, and Huzhou party and government leaders also did manual labor. [passage omitted]

While taking a recess at the work site, Li Zemin made a brief speech over a loudspeaker. On behalf of the provincial party committee and the provincial government, he extended lofty respect and cordial greetings to the vast number of soldiers and people laboring at the Maoergang work site and to the more than 2 million cadres and people, commanders and fighters of the People's Liberation Army, and Armed Police officers and men who are doing physical labor at Zhejiang's water conservancy work sites. He said: The Eighth Plenary Session of the 13th Central Committee of the Communist Party of China, which was just concluded, approved the “CPC Central Committee's Decision on Further Strengthening Agriculture and Rural Work.” This “Decision” is a programmatic document which will guide China's agriculture and rural work for a considerably long time. The

“Decision” stresses the necessity of further strengthening the construction of agricultural infrastructures, of speeding up the harnessing of big rivers and lakes, and of extensively developing farmland water conservancy capital construction. [passage omitted]

Li Zemin said: The provincial party committee and the provincial government have decided to declare December 1991 Zhejiang's “Water Conservancy Month.” All party organizations and governments in Zhejiang should further strengthen leadership over water conservancy construction and bring about a new high tide of farmland water conservancy construction. In the course of water conservancy construction, it is necessary to draw up a unified plan and make meticulous arrangements; to pay attention to economic results and guarantee the quality of projects; to harness water in unity and in a scientific way; and to shift the numerous cadres and masses' enthusiasm for socialism, which has been developed in conducting rural socialist ideological education, onto the high tide of farmland water conservancy capital construction. We should develop this great cause well and produce substantive results because it benefits the contemporary generation as well as our offspring. We should implement the guidelines of the Eighth Plenary Session of the 13th CPC Central Committee to usher in the 14th National Party Congress.

At lunch time, provincial leading comrades and government cadres were each given a lunch-box. They sat on the ground with laborers together at the work site and engaged in smalltalk while having their lunch. The atmosphere was quite harmonious.

After finishing their physical labor, the provincial leaders went in three groups to extend greetings to the construction workers on the Maoergang project.

Views Ideological Education

OW1012042891 Hangzhou Zhejiang People's Radio
Network in Mandarin 1000 GMT 9 Dec 91

[From the “Provincial News Hookup” program]

[Text] Last night, the provincial party committee and the provincial government held a telephone conference on enterprise-based socialist ideological education. Li Zemin, secretary of the provincial party committee, attended and addressed the conference. On behalf of the provincial party committee and the provincial government, Wang Qichao, deputy secretary of the provincial party committee, laid out plans for enterprise-based socialist ideological education.

Wang Qichao said: This program of enterprise-based socialist ideological education is designed to further intensify enterprise-based education on national conditions and tasks carried out during the past two years. Based on Comrade Jiang Zemin's 1 July speech, this program should be carried out in close conjunction with the implementation of the central work conference's guidelines. It should focus on carrying out education on

strengthening the socialist faith; deepening reform; and improving enterprises, especially those of large and medium scale. It should also concentrate on conducting education on the need to rely wholeheartedly on the working class. Through such education, we should further seek a consensus among cadres, workers, and staff members; improve their understanding; enhance their faith in socialism; build their confidence in improving socialist enterprises; and fully motivate them. We should also further improve our ideas for enterprise development; readjust our enterprise structure; deepen reform; convert enterprise operational mechanisms; improve economic returns; intensify party building and ideological and political work; and strive to operate socialist enterprises successfully, to develop and augment the system of socialist public ownership, and to achieve the second-step strategic objective.

In accordance with this guideline, we should stress education in three aspects. First, we should emphasize education in bolstering the socialist faith. Building on past education on national conditions, we should thoroughly study and publicize Comrade Jiang Zemin's 1 July speech to resolve deep-seated ideological problems among party cadres, workers, and staff members. We should make our cadres, workers, and staff members understand that only the CPC-guided pursuit of the socialist course can make our country strong and prosperous, help develop our nation, and bring prosperity to our people. This will enable us to further enhance our belief in socialism's inevitable victory and to build a great ideological wall of steel against peaceful evolution.

Second, we should stress education on the necessity of deepening reform and improving enterprises, especially those of large and medium scale. We should organize party cadres, especially enterprise leaders, to study seriously the documents of the Central Committee work conferences and the provincial party committee. We should further strengthen our confidence in running socialist enterprises successfully, strengthen our resolve in this regard, wage an arduous struggle, and undertake painstaking pioneering efforts. In carrying out education in this respect, we should further improve our ideas for enterprise development; rectify the guiding ideology for enterprise work; and improve our concepts of reform, market leverage, competition, and the status of science and technology as the primary productive force. We should shift the focus of enterprise work to restructuring, converting operational mechanisms, and improving economic returns. We should also truly implement the policies and initiatives laid down by the work conferences of the Central Committee and the provincial party committee.

Third, we should stress education on wholeheartedly relying on the working class. We should educate party cadres, especially leading cadres, in enterprises on the need to firmly establish the concept of wholeheartedly serving the people and of relying on the working class. While exercising strict management of enterprises, we should earnestly improve the democratic management of

enterprises, institute and improve the system of workers' congresses, and expand the means of participating in the administration and discussion of state affairs by workers and staff members. We should educate workers and staff members, especially those of the younger generation, on the necessity of maintaining the working class' faithfulness, of improving their understanding of their historic mission and their sense of being masters of their own affairs, of sharing weal and woe with the state and enterprises, and of assisting their bosses in handling their affairs and performing their functions.

Speaking at the conference, Comrade Li Zemin stressed: The key to successfully conducting enterprise-based socialist ideological education lies in the understanding and resolve of leaders at all levels. In tackling economic and enterprise work, we should not take a rigid approach by separating economic endeavors from enterprise work. Instead, we must exploit the party's political assets and stress ideology. Carrying out enterprise-based socialist ideological education is necessary for comprehensively implementing the party's basic line of one central task and two basic points. We should handle our domestic affairs competently and stiffen resistance to attempts by hostile forces at home and abroad to promote the Western plot of peaceful evolution. The most important task is to improve our economy and socialist enterprises.

In accordance with the central work conference's guidelines and Zhejiang's realities, the provincial party committee has made plans for improving enterprises, especially those of large and medium scale. We should readjust our enterprise structure, deepen reform, and improve economic returns. We still have to perform plenty of ideological and political work, including the tasks of improving the socialist faith of workers and staff members; strengthening their sense and acceptance of reform; arousing their enthusiasm, initiative, and creativity; and settling the issue of wholeheartedly serving the people and relying on the working class by enterprise leaderships. None of these tasks can be carried out without ideological education. Hence, we should achieve better and greater results in conducting this year's enterprise-based socialist ideological education so as to give powerful ideological impetus to the task of improving enterprises and developing the economy.

Comrade Sun Jiaxian, member of the Standing Committee and director of the Propaganda Department of the provincial party committee, presided over the conference.

Urges Study of Plenum Guidelines

OW0912145991 Hangzhou Zhejiang People's Radio Network in Mandarin 1000 GMT 9 Dec 91

[From the "Provincial News Hookup" program]

[Text] Li Zemin, secretary of the Zhejiang CPC Committee, addressed a meeting this morning held by the provincial party committee of responsible cadres with CPC membership. After conveying to the meeting the

guidelines of the Eighth Plenary Session of the 13th CPC Central Committee, he called on party committees and governments at various levels to pay attention to agricultural development, to seriously study the guidelines of the CPC plenum, and to mobilize the cadres and people in order to implement the guidelines persistently so as to create a new situation of agriculture and rural work in Zhejiang Province.

(Li Jinmin), secretary general of the provincial party committee, presided over the meeting. He conveyed to the meeting the important speech delivered by General Secretary Jiang Zemin at the Eighth Plenary Session of the 13th CPC Central Committee. Some 2,000 cadres attended the meeting. They included responsible cadres with CPC membership of various provincial departments and organizations; cadres at and above the division level of the Zhejiang Military District, the People's Liberation Army units in Hangzhou, and the Armed Police; and retired corps-level cadres.

Central-South Region

'Unstable Factors' in Guangdong Economy Noted

HK0912105191 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0802 GMT 3 Dec 91

["Roundup" by Shi Chuan (4258 1557): "Unstable Factors in Guangdong's Economy"]

[Text] Hong Kong, 3 Dec (ZHONGGUO TONGXUN SHE)—This year, Guangdong's economy has been stable, and the basic situation is good. Its inertial role is strengthening. According to forecasts by some experts, in the next few months, the province's economy will continue to maintain steady growth in all aspects, and various major economic indicators will reach or exceed planned targets.

However, when viewing the situation and tendency of economic operation in Guangdong Province, one may still perceive the existence of certain unstable factors.

According to the analysis of the experts concerned, at present the circulation of funds in Guangdong Province is still not smooth enough. Although banks have increased loans to meet the need for working funds as compared with the credit situation late last year, many enterprises are still short of working funds. A basic reason is that too much working capital is still locked in various production and circulation links. Stockpiled products are locking up large amounts of funds, and debt default still exists to a serious degree among enterprises. In addition, the scale of loans is not commensurate with the increase in fund sources. On the one hand, deposits are much larger than loans; on the other hand, breaches in the size of loans still exist to a serious degree. This has presented a sharp contrast.

The situation in which large and medium state-owned enterprises lack dynamism and achieve poor economic

results remains unchanged. Up to the end of September, state-owned industrial enterprises in six of 19 cities in Guangdong continued to record declining profits. As for large and medium state-owned enterprises which are considered satisfactory in their production conditions and economic results, if such factors as lower interest rates of bank loans and increases in production costs are deducted, actual economic results have not undergone substantial changes.

So far, the state's capital investment in Guangdong Province has been restored and increased, and this is basically reasonable. However, there is a tendency to expand the size of production. Quite a few new projects have been started this year, and there are signs that the size of investment may be too big again. If this tendency is not brought under certain control, the results achieved in economic rectification and improvement in the past three years may be offset, and normal operation of the economy as a whole in the next two years may be affected.

Some experts hold that there exist many potential factors that may push up prices. Increasing demand caused by increasing investment and the decrease in the supply of agricultural and native products may both push up prices to different degrees. Frozen surplus purchase power in society is increasing rather rapidly, and the money supply is also gradually accelerating. Some price adjustment measures, including adjusting some prices which were not allowed to rise immediately after the state raised the grain purchase prices, will be adopted. All this will bring new upward pressure to prices on the markets.

Shenzhen Stock Market Switching to Trusteeships

OW0812140591 Beijing XINHUA in English
1142 GMT 8 Dec 91

[Text] Shenzhen, December 8 (XINHUA)—Trusteeship will take the place of hand-to-hand dealing on the Shenzhen stock market, according to local officials today.

Simulated operation of the new system will go into operation around December 25 and be formally enforced from the beginning of next year.

After the reform, bonds will be handled by the securities registry of Shenzhen through the trustees, who will act through security dealers.

The centralized trusteeship is an approach to the realization of so-called "paperless" exchange. When a computer network is put into operation next year or later, the efficiency of the Shenzhen stock market will be further improved, according to local analysts.

Deng Hongxun Oversees Hainan Fraud Investigation

HK1012023891 Hong Kong SOUTH CHINA MORNING POST in English 10 Dec 91 p 13

[By Chris Yeung]

[Text] Hainan officials were tight-lipped yesterday about the reported detention of two provincial cadres and a Hong Kong businessman said to have cheated an official travel agency out of 80 million yuan (HK\$ [Hong Kong dollars] 115.36 million).

According to a report in a Taiwan newspaper, the Premier, Mr. Li Peng, has sent officials from the State Supreme Procuratorate and State Planning Commission from Beijing to the island province to investigate the case.

The UNITED DAILY said a Hainan native who had emigrated to Hong Kong had formed a joint venture with the China Travel Service (CTS) in Hainan to supply petrol in major cities on the island.

He later allegedly suggested to Hainan's Bureau of Planning that a petrol company be set up to develop an oil refinery on the island, claiming that the refinery could become the sole agent of a leading American petroleum firm.

The project was said to have gained approval from the provincial committee charged with vetting foreign investment projects, and the provincial Bureau of Planning.

The newspaper said that under the joint venture, the CTS was to provide funds of about 80 million yuan in bank loans by mortgaging its 15 affiliates and 13 joint ventures to banks, including the People's Bank of China, the country's central bank.

An agreement was signed with the bank to repay the loans in instalments.

The report said the businessman had quietly remitted the loans from the province to bank accounts in the United States and Malaysia and had planned to sneak out of the province last month.

The newspaper said he had also helped produce fake passports for a general manager of the CTS and a head of the Bureau of Planning.

The businessman was said to have been arrested when he tried to leave the province last month.

The two other men were later detained for investigations.

A special investigation team is reported to have been formed which is reporting directly to the provincial Governor, Mr. Liu Jianfeng, and the provincial party committee head, Mr. Deng Hongxun.

A secretary to Mr. Liu said yesterday he had seen the press reports on the matter and had "heard about the case".

"But I cannot confirm or deny it. You have to go to the information departments," he said.

It is understood that mainland media organisations have been ordered to impose a news blackout on the case in view of the sensitivity and implications of the alleged fraud.

A number of provincial officials may also face punitive action or have to resign if they are found to have been negligent.

Southwest Region

Li Zhengwei Views 'Spirit' of Party Plenum

HK1012105391 Guiyang Guizhou People's Radio Network in Mandarin 2300 GMT 5 Dec 91

[Text] In the provincial government auditorium yesterday morning [5 December], the provincial party committee convened a meeting of incumbent cadres at and above deputy provincial department level from various departments directly under the provincial authorities, at which the spirit of the Eighth Plenary Session of the 13th CPC Central Committee was relayed, and an account of the opinions of the provincial party committee on implementing and carrying out the spirit of the eighth plenary session was given.

The meeting was presided over by Long Zhiyi, provincial party committee deputy secretary.

Liu Zhengwei, member of the CPC Central Committee and secretary of the Guizhou CPC Committee, relayed a speech delivered by General Secretary Jiang Zemin at the closing session of the eighth plenary session of the 13th Central Committee.

Liu Hanzhen, member of the central Discipline Inspection Commission and the Guizhou CPC Committee Standing Committee, and secretary of the Guizhou CPC Discipline Inspection Commission, relayed a speech delivered by General Secretary Jiang Zemin at a preparatory meeting for the eighth plenary session.

Luo Shangcai, alternate member of the CPC Central Committee, relayed a decision made by the Eighth Plenary Session on further strengthening agricultural and rural work.

Provincial party, government, and military leaders, including Su Gang, Miao Chunling, Zhu Qi, Wang Siqi, Yuan Ronggui, Zhou Yansong, and others, attended the meeting.

After all the relevant documents were relayed, Comrade Liu Zhengwei put forth a number of requirements on how to implement and carry out the spirit of the eighth plenary session in a down-to-earth manner in the whole province.

Comrade Liu Zhengwei first and foremost called on party committees and governments at all levels conscientiously to study the decision on further strengthening agricultural and rural work adopted by the eighth plenary session as well as the important speech delivered by

General Secretary Jiang Zemin at the eighth plenary session; comprehend both essence and spirit of the decision and the important speech; constantly and earnestly give top priority to agriculture; and strive to successfully push ahead with all types of work, under the guidance of the decision and speech, with a view to greeting the forthcoming 14th National Party Congress with outstanding achievements. Party and government leaders at all levels must take the decision and speech as their basic teaching materials in furthering on-going socialist ideological education in rural areas, publicize the decision and speech among broad masses of cadres and people, and organize the broad masses of cadres and people to study and discuss the decision and speech to deepen on-going socialist ideological education and push forward all types of work in rural areas.

Liu Zhengwei emphatically stated: The key link in implementing and carrying out the spirit of the eighth plenary session lies in successfully grasping implementation work. Having conducted careful study, the provincial party committee maintains that all its existing work arrangements fully conform with the spirit of the eighth plenary session of the 13th Central Committee, and hopes that party organizations and governments at all levels will concentrate their efforts on carrying out all the arrangements.

Liu Zhengwei expressed the hope that leaders in all areas and of all departments will carry out extensive and in-depth investigations and study, conscientiously sum up experiences, put forth concrete views on implementing and carrying out the spirit of the eighth plenary session, and make sufficient preparations for the convocation of an enlarged provincial party committee plenary session in January 1992.

Yang Rudai Addresses Commendation Conference

*HK0912061591 Chengdu Sichuan People's Radio
Network in Mandarin 1015 GMT 5 Dec 91*

[Text] The Sichuan provincial conference on commending advanced collectives and individuals of various democratic parties and industry and commerce federations that have rendered outstanding service to four modernizations building was solemnly convened in the Chengdu Military Region auditorium.

Comrades in charge of the provincial party committee, Advisory Committee, people's congress, Chinese People's Political Consultative Conference Committee, and government, including Yang Rudai, Nie Ronggui, Feng Yuanwei, Xu Mengxia, He Haoju, Liao Bokang, Wang Yu, Li Peigen, and Guan Xuechu, attended.

Kang Zhenhuang, chairman of the Sichuan provincial committee of the China Democratic League, presided over the commendation conference. Liu Yuanxuan, chairman of the Sichuan provincial committee of the Revolutionary Committee of the Chinese Kuomintang, delivered an opening speech. Wu Hanjia, vice chairman

of the Sichuan provincial committee of the China Democratic League, gave an account of how our provincial branches of various democratic parties and industry and commerce federation had rendered their services to four modernization building.

Persons in charge of provincial branches of various democratic parties as well as industry and commerce federations, including Ke Zhao, Chen Bingxiang, Xu Keguang, Wang Jixin, and Fu Wenqi, also attended.

The conference commended 350 members of various democratic parties and of industry and commerce federations at various levels as well as 55 collectives from various fronts of our province. Most of those commended were outstanding personages who had rendered meritorious services or made phenomenal achievements. Some 256 of the 350 advanced individuals had previously won such titles as model or advanced workers at various levels. Many of them had also won such prizes as invention prizes, scientific and technological advancement prizes, or even famous international prizes. Moreover, most of them were either teachers or scientific researchers.

On behalf of the Sichuan CPC Committee and the Sichuan provincial government, Feng Yuanwei, provincial party committee deputy secretary, extended warm congratulations to the conference.

Yang Rudai, provincial party committee secretary, delivered a speech in which he said: The conference's convocation demonstrates a good situation in our provincial patriotic united front and is bound to further consolidate and promote development of our provincial patriotic united front and set off a new upsurge of learning from and catching up with the advanced.

After analyzing the current international and domestic situations, Comrade Yang Rudai pointed out: During the Seventh Five-year Plan, our provincial branches of various democratic parties and industry and commerce federations made important contributions to our provincial agricultural development. In the future, I hope they will continue to carry forward their spirit of working in a down-to-earth manner, bring into fuller play their respective superiorities, and render better services to four modernization building under the guidance of the spirit of the eighth plenary session of the 13th Central Committee to greet the convocation of the 14th National Party Congress with greater achievements.

The conference participants unanimously adopted a written proposal, pledging to continue to take the road of building socialism with salient Chinese characteristics under the CPC's leadership, work hard, and strive to promote two civilizations building in our province and attain the second-stage strategic goal at an early date.

Key Economic Projects 'Proceeding Well' in Tibet

OW0512092991 Beijing XINHUA in English
0816 GMT 5 Dec 91

[Text] Beijing, December 5 (XINHUA)—Construction of the 19 key economic projects is proceeding well with a total state investment of 3.84 billion yuan in the Tibet Autonomous Region, the PEOPLE'S DAILY [RENMIN RIBAO] reported today.

The OVERSEAS EDITION of the paper said these projects, involving agriculture, energy, mining, transportation and telecommunication, are being built with great speed and high quality and some have gone into operation.

People in the central valley of the Yarlung Zangbo River are boosting agriculture. They planted trees, dug irrigation canals and built pumping stations and chicken farms.

Upon completion, the national paper said, the region's hinterland will become a production base for grain, livestock products, vegetables and food-processing as well as light and textile industries and science and technology.

Aided by the World Food Program, people in the Lhasa River valley are digging 1,500 irrigation canals, growing grass on 1,500 ha [hectares] and leveling 2,300 ha of land for farm use.

Construction of the Zamzho Yumco pumping and power storage station, the highest in the country, is proceeding well.

With a state investment of 800 million yuan, the station will have a designed generating capacity of 90,000 kilowatts.

Upon completion, it will be able to supply the regional capital city of Lhasa with 200 million kilowatt-hours a year.

The paper noted that the first, second and third construction phases of China's largest geothermal plant, the Yangbajain Geothermal Power Plant, were checked and accepted by the state early this year. It has fulfilled the annual quota of power generation 85 days ahead of schedule.

Construction of a chromite mine in Shannan Prefecture is in full swing. All the highways and roads of the mine have opened to traffic and four machine-repair workshops have just completed construction and will go into operation by the end of this year.

In addition, transformation of the Qinghai-Tibet highway just began with a state investment of 377 million yuan.

The state has spent 1 billion yuan on repairing this highway since 1954 when it opened to traffic.

The Gongga Airport, which completed expansion in September, is able to accommodate Boeing 747s.

Other projects being built in the region include the Lhasa Postal and Telecommunication Building, the Tibet Regional Radio and Television Center and the Tibet Regional Library.

Arrest of Taiwan Independence Activist Reported

OW0912095091 Beijing XINHUA Domestic Service
in Chinese 0716 GMT 9 Dec 91

[Text] Beijing, 9 Dec (XINHUA)—According to a Taiwan press report, Zhang Canhong [Chang Tsan-hung], the chieftain of the "Taiwan Independence League," who had been wanted by the relevant authorities in Taiwan for 14 years, was arrested 7 December while attempting to enter the Taoyuan Airport in Taipei [Taipei] on a false passport.

Zhang Canhong, the "president" of the "Taiwan Independence League" based in the United States, had been wanted by Taiwan's "Garrison Command" and "Higher Court Prosecutor's Office" on charges of "sedition" since 1977. Zhang, who had lived in exile in the United States and Japan for a long time, said that he wanted to return home to build "with my brothers and sisters here a 'Republic of Taiwan'."

In recent years, the "Taiwan Independence League" had repeatedly declared the intention to "move the league back to Taiwan." The "Democratic Progressive Party [DPP]" in Taiwan has set up a "solidarity organization" to support the return of the "Taiwan Independence League." After his arrest, Zhang Canhong told reporters that he "had maintained close relations with the 'DPP'." The "DPP" issued a statement on the same day, expressing "support" for Zhang Canhong.

Wu Xueqian Meets Taiwan Newspaper Chairman

OW0612114691 Beijing XINHUA in English
0914 GMT 6 Dec 91

[Text] Beijing, December 6 (XINHUA)—Vice-Premier Wu Xueqian met with Tuan Hung Chun, chairman of the Taiwan newspaper WORLD FORUM, and his party here this afternoon.

Wu and Tuan had a cordial conversation on the reunification of the country and other issues.

Tuan arrived here on a visit Wednesday.

Taiwan Visitors to Liaoning Increase 67 Percent

OW0412014691 Beijing XINHUA in English
0114 GMT 4 Dec 91

[Text] Shenyang, December 4 (XINHUA)—More and more visitors from Taiwan have come to visit northeast China's Liaoning Province, a major heavy industry center in China, according to the provincial Tourism Bureau.

According to statistics from the bureau, in the first half of this year the province received more than 16,000 visitors from Taiwan, a 67 percent increase over the same period last year, up from 7,000 in 1988.

In the past most visitors were elderly people returning to visit relatives and friends, now most are businessmen who have come to invest, the bureau said.

Statistics show that the province has approved 122 Taiwan-funded enterprises involving a total investment of 6.29 million U.S. dollars.

The provincial authorities have made it a point to attract more overseas investors by improving the investment environment, reports a local official.

Editorial Urges Direct Cross-Strait Links

HK0912042091 Hong Kong WEN WEI PO
in Chinese 7 Dec 91 p 2

[Editorial: "Time For Direct Air, Shipping Transportation Is Ripe"]

[Text] There has been an increasingly strong voice from various Taiwan circles requesting direct cross-strait air and shipping transportation. Nongovernmental figures, top-level government officials, entrepreneurs, and scholars have, from various angles, urged the Taipei authorities to immediately lift restrictions on cross-strait air and shipping transportation.

Direct cross-strait air and shipping transportation is the core of the "three establishment" policy (establishment of trade, post and telecommunications, and air and shipping transportation). Once direct air and shipping transportation is established, trade and post and telecommunications will be correspondingly possible. Therefore, it is of great significance to realize direct cross-strait air and shipping transportation as quickly as possible. Viewed from various circumstances, the time for direct cross-strait air and shipping transportation has become ripe.

Above all, cross-strait economic and trade relations have developed to a new stage. This is manifested in that Taiwan's economic prosperity has been boosted positively for the first time in 40 years as a result of investment in the mainland. According to official Taiwan analysis, recent investment in the mainland by Taiwan businessmen has ensured a smooth transition in Taiwan industry. Entrepreneurs are willing to making medium and long-term investments, mainly capital and technology-intensive investment. As a considerable number of labor-intensive industries are moved to the mainland, entrepreneurs now have more new space for development on the island.

The increasing number of Taiwan-funded factories set up on the mainland will inevitably increase the demand for direct cross-strait air and shipping transportation. Naturally, direct transportation of raw materials, machines, or finished products will be quicker and cost less than transportation via a third party. At the time when cross-strait relations have become closer, the practice of not allowing the direct transportation of goods exerts a negative influence on Taiwan's economy and

reduces the competitiveness of Taiwan goods. The Taipei authorities, which flaunt the banner of free trade, can only revise the policy against direct transportation.

Second, the scope of nongovernmental exchanges has expanded to a considerable scale. As a result, direct cross-strait air and shipping transportation is not only necessary but would also be profitable. At present, Taiwan tourists go to the mainland mainly via Hong Kong, which is troublesome and costly. Even when everything is arranged in advance, it takes a day or two at least for many Taiwan businessmen to travel from Taiwan to Fujian. However, direct flight from Taipei to Fuzhou or Kaohsiung to Xiamen would take only forty minutes. A ship leaving a Taiwan port in the morning can arrive in Fujian in the evening. The advantages of direct air and shipping transportation for Taiwan inhabitants are thus obvious. Recently, veteran Taiwan soldiers have told candidates of political parties that they would "not vote for them unless they are in favor of direct air and shipping transportation." Because of the large numbers of veterans and their dependents and relatives, this request cannot be taken lightly. This also reflects from one aspect the strong wishes of Taiwan inhabitants.

Third, technological conditions for direct air and shipping transportation are also ripe. The coastal ports on the mainland offer various kinds of international and regional shipping services. Moreover, international air services offered by civil aviation extend to the five continents. There are perfect management regulations for passenger entry and exit at both airports and ports,

which have accumulated experience for mainland compatriots to leave for Taiwan and Taiwan compatriots to visit the mainland. With standard rules and regulations for entry and exit management, the Taiwan side has also received thousands of mainland inhabitants.

Viewed from the status quo of cross-strait relations, direct air and shipping transportation should start from some regions first rather than "develop in an all-around way." This will be most feasible and conducive to both sides. The Fujian authorities recently proposed a plan for cross-strait direct air and shipping transportation; that is, establishing Taipei-Fuzhou and Kaohsiung-Xiamen air services and Mawei-Mazu and Xiamen-Jinmen shipping services, and opening up Meizhou, which is located in Mazumiao, to Taiwan ships. Of this, Mawei-Mazu and Xiamen-Jinmen shipping routes and an anchorage at Meizhou Bay could be realized in the near future.

In fact, cross-strait air and shipping transportation is not a matter of "possibility," but of "how to deal with it." Lin Yang-kang, a Kuomintang leader, is in favor of direct air and shipping transportation and some "members of the Legislative Yuan" believe that direct cross-strait air and shipping transportation can be realized before the end of next year. However, Taipei policymakers still lack a political consideration of the matter. They are indeed overanxious. Rulers' moves should be conducive to economic development and the people's benefit. If the Taipei authorities truly represent the will of the people, they should be determined and make preparations to promote rather than hinder the early realization of direct cross-strait air and shipping transportation.

Government Dismisses Rumors of Reunification Talks
*OW0712094891 Taipei CNA in English 0806 GMT
7 Dec 91*

[Text] Taipei, Dec. 7 (CNA)—The government does not have a plan to hold talks imminently with the mainland on national unification, Vice Chairman Ma Ying-jeou of the Mainland Affairs Council (MAC), said Friday.

The government is currently promoting mutually beneficial exchanges between both sides of the Taiwan Strait in accordance with the first-stage goals of the national unification guideline, Ma noted.

He dismissed some critics' predictions that once Taiwan has been united with the mainland, its U.S.\$8,000 per capita GNP (gross national product) [words indistinct] immediately to U.S.\$400, and that Taiwan will have to share the mainland's huge foreign debt.

Ma said unification will not lower the living standards of the Taiwan residents nor will they share the mainland's debt burden.

The government will start negotiations on unification only after the middle-range goal of building mutual trust has been achieved, Ma said.

He explained that the national unification guideline was designed not to delay unification, but to accomplish the grand [word indistinct] through "responsible and pragmatic" actions.

After 40 years of separation, Ma said there are wide political, social and economic gaps between both sides of the straits.

"It will take time to narrow the gaps and to shorten the psychological distance" between people on Taiwan and on the mainland, the MAC official added.

Advising that haste makes waste, Ma said "we can never use imprudent means" to seek national unification.

Journalist Named New Representative to Hong Kong
*HK1012015791 Hong Kong SOUTH CHINA
MORNING POST in English 10 Dec 91 p 10*

[Text] A veteran journalist has been appointed director of the FREE CHINA REVIEW, the quasi-official representative of the Taiwan Government Information Office in Hong Kong.

Susie Chiang, a former Hong Kong correspondent of the CHINA TIMES, of Taipei, has replaced Mr. Jimmy Hsieh, who is being transferred back to Taiwan after 11 years in Hong Kong.

The announcement was made at a farewell party for Mr. Hsieh yesterday by Mr. John Ni, managing director of the Chung Hwa Travel Service, which is the Hong Kong representative of the Taiwan Foreign Ministry.

An award-winning journalist, Ms Chiang has broken stories including the escape of dissident Chai Ling to Paris.

Analysts say both Ms. Chiang and Mr. Ni, who came to Hong Kong three months ago, are expected to take an aggressive policy in maintaining Taipei's foothold in Hong Kong.

By contrast, the older generation of Taiwan's Hong Kong representatives tended to adopt low profiles.

Agenda for National Economic Conference Discussed
*OW0912083691 Taipei CNA in English 0804 GMT
9 Dec 91*

[Text] Taipei, Dec. 9 (CNA)—More than 160 government officials, academics and business leaders met in Taipei Monday to prepare an agenda for a national economic conference scheduled for the coming spring.

The one-day meeting at the National Central Library has great significance as it will define the major topics to be discussed during the planned national economic conference, which will chart the country's development course for the 1990s, the Council of Economic Planning and Development (CEPD) said Sunday.

High on Monday's agenda are issues related to the changing domestic economic climate, growing commercial exchanges across the Taiwan Strait, current industrial development and financial and monetary policy, said CEPD, organizer of the meeting.

Participants include Economic Affairs Minister Vincent Siew; Finance Minister Wang Chien-hsien; Central Bank of China Governor Samuel Shieh; Huang Kun-hui, chairman of the Mainland Affairs Council; Yu Yu-hsien, chairman of the Council of Agriculture; C.F. Koo, president of the Chinese National Association of Industry and Commerce; Liu Tai-ying, director of the Taiwan Institute for Economic Research; and many other leading academicians and industry executives.

Premier Hao Po-tsun, underscoring the importance the government attaches to the conference, will speak during the opening session.

Economic Affairs Minister Siew said Sunday that during Monday's meeting he will spotlight the 10 most urgent issues the country must address, such as direction of industrial development for the coming decade; the institutionalization of economic policy-making; the upgrading of technological levels and product quality; pollution control; labor shortages; the development of new industrial zones; civilian participation in the current six-year National Development Plan; and the adjustment of trade regulations to meet the requirements of the General Agreement on Tariffs and Trade.

Siew said he will also ask the participants to discuss innovative ways to enhance the efficiency of the Legislative Yuan in order to speed up economic modernization. Without legislative approval of several important trade and financial bills, the government cannot proceed with its programs of economic and financial reforms, the minister explained.

Government spokesman Hu Chih-chiang said the cabinet has great expectations for the forthcoming national economic conference and will try its best to implement any conclusions reached in the meeting. He hoped Monday's preparatory meeting will come up with a comprehensive, forward looking agenda for the national economic conference scheduled for next March.

Hao Views Legal Framework

*OW1012091991 Taipei CNA in English 0808 GMT
10 Dec 91*

[Text] Taipei, Dec. 10 (CNA)—Laying down a modernized comprehensive legal framework is the most urgent task in promoting the country's economic development, Premier Hao Po-tsun said Monday.

Addressing the opening session of a preparatory meeting for a national economic conference scheduled for next March, Hao said Taiwan is in a transition period and needs an innovative, forward-looking strategy to tackle the problems which it faces.

The planned national economic conference aims to pool the wisdom and energies of the public and private sectors to guide the national economy in the right direction within the framework of the Constitution and to lay a solid foundation for future development, the premier explained.

Hao pointed out that an equitable distribution of national wealth and the enhancement of the country's competitive edge in world markets are two primary policy goals.

The premier hoped the participants in the preparatory meeting will prepare a comprehensive agenda for the forthcoming national economic forum in order to ensure the success of the event, the first of its kind since 1981.

More than 160 government officials, economists and industrial leaders attended Monday's preparatory meeting. They divided into four panels to discuss the general economic climate; cross-strait trade and investments; industrial development; and financial liberalization and monetary policy.

After a full day of heated discussion, the participants prepared a list of 124 proposals in 35 categories to be considered further during the next year's conference.

The list includes a broad range of issues, including the improvement of government efficiency; the establishment of a civil service system; the policy on future

industrial development; land administration; the renovation of trade regulations; manpower development; factory automation; the liberalization of financial service markets; foreign exchange policy; the development of energy resources; environmental protection; cross-strait economic links; civilian participation in the six-year National Development Plan and the like.

Wang Chao-ming, secretary-general of the Executive Yuan, said a cabinet task force will study the proposals and then work out an agenda for further discussion in next year's national economic forum.

Meeting To Review Cross-Strait Ties

*OW1012092091 Taipei CNA in English 0802 GMT
10 Dec 91*

[Text] Taipei, Dec. 10 (CNA)—Mainland China has emerged as Taiwan's fifth largest trading partner, an indication that cross-strait economic interdependence is growing ever tighter, Huang Kun-hui, chairman of the Mainland Affairs Council, reported Monday.

Speaking at a preparatory meeting for a national economic conference scheduled for next spring, Huang said that cross-strait trade transshipped via Hong Kong totaled 4.03 billion U.S. dollars in the first nine months of this year, a 43.92 percent increase from the year before. The figure is expected to surpass the 5 billion U.S. dollars mark by year's end.

Huang reported that the government currently allows local businessmen to indirectly invest in the manufacture of 3,679 products on the mainland. A total of 2,503 companies have formally registered their mainland ventures with the government and their cumulative capital investment has reached 753 million U.S. dollars.

In an attempt to forge "benign" cross-strait interaction and to speed peaceful evolution on the mainland, Huang said the government will continue to promote indirect commercial exchanges across the Taiwan Strait based on the principles of "rationality, equality and reciprocity."

As long as cross-strait trade develops orderly and Peking responds positively to Taipei's goodwill gestures, Huang said, the government will consider further easing regulations on cross-strait exchanges.

Huang said the government hopes the forthcoming national economic forum will make a comprehensive review of current cross-strait economic relations and their impact on the Taiwan economy.

Monday's preparatory meeting came up with a list of topics to be discussed in the planned meeting: Taiwan's cross-strait trade; maintaining Taiwan's competitive edge vis-a-vis mainland competition; the division of labor between both sides of the Strait; the feasibility of employing mainland workers; the establishment of a warning system to prevent overreliance on mainland markets; the taxation of Taiwan-invested firms on the mainland; cross-strait transportation links; agricultural

exchanges; investments in mainland financial service markets; and the establishment of a "greater common Chinese market."

Commission To Strengthen Exchanges With Mongolia
*OW0912083491 Taipei CNA in English 0756 GMT
9 Dec 91*

[Text] Taipei, Dec. 9 (CNA)—The Mongolian and Tibetan Affairs Commission will promote trade, cultural and academic exchanges with Mongolia through civilian channels and in a pragmatic manner, chairman of the commission Wu Hua-peng said.

Wu was reporting to a Legislative Yuan committee over the weekend.

He said that as Mongolia is actively pursuing political and economic reforms, it needs economic and technological assistance. The commission will encourage the private sector to look for trade opportunities and to invest there, Wu added.

He said that his commission will try to gather more information about Mongolia for the use of civilian groups and the enterprises in Taiwan.

Wu added that his commission will also increase cultural and academic exchanges with Mongolia, including exchanges of scholars, students and publications, in order to promote mutual understanding.

Minister Addresses Seminar on Canadian Ties
*OW0712085091 Taipei CNA in English 0749 GMT
7 Dec 91*

[Text] Taipei, Dec. 7 (CNA)—Foreign Minister Chien Fu [Frederick Chien] urged Canada Friday to further strengthen substantive ties with the Republic of China [ROC] to the mutual advantage of both countries.

Addressing the opening session of a large Taipei seminar on Sino-Canadian relations, Chien said that despite the absence of diplomatic ties, the two countries [words indistinct] of democracy and free trade.

[Passages indistinct] economic powerhouse during the past two decades, Chien noted. With abundant cash and trained workers, Taiwan can be a good joint-venture partner for Canada, a country with rich natural resources, immense markets and advanced investment expertise, he observed.

Chien pointed out that Taipei's current six-year National Development Plan has provided enormous business opportunities for many Asian Pacific countries and Canada may also benefit from it.

Taiwan is liberalizing its economy and [word indistinct] to [word indistinct] itself in the free world economic system, Chien explained. The country's efforts to increase its presence in the world arena have, however, been frustrated by Peking's never-ending boycotts. The

absence of Taiwan in many important governmental and non-governmental international organizations is a great loss to both the ROC and the world society, Chien opined.

Taipei's recent entry into the Asia Pacific Economic Cooperation forum is a significant breakthrough in the country's foreign relations, Chien said. He hoped Canada will continue to support the ROC's bid to join other international bodies.

The on-going Taipei seminar on Sino-Canadian relations, co-sponsored by National Chengchi University and Toronto University, is the first of its kind ever held here in two decades.

Li Receives Canadian Scholars

*OW1012085991 Taipei CNA in English 0820 GMT
10 Dec 91*

[Text] Taipei, Dec. 10 (CNA)—President Li Teng-hui Monday received Roger N. Wolff, dean of Faculty of Management, University of Toronto, and other members of the Canadian delegation to the first conference on Sino-Canadian relations in Taipei.

During the audience, Li said he is optimistic about the development of friendly relations between the two countries. The relations have improved steadily over the past two decades although there is no diplomatic relations between them.

He said the conference is a good beginning for further improvement of relations between the two countries.

The conference was held Dec. 6-7 under the auspices of the Institute for International Relations Research of the National Chengchi University in suburban Taipei.

Canadian Trade Delegation Visits Taipei 9 Dec
*OW0912090091 Taipei CNA in English 0749 GMT
9 Dec 91*

[Text] Taipei, Dec. 9 (CNA)—A Canadian trade mission, led by Canadian Chamber of Commerce President Tim Reid and Dofasco President William Wallace, arrived in Taipei Monday for a three-day visit.

"We are here because we believe there is great potential for trade between Canada and Taiwan, particularly under the auspices of Taiwan's six-year National Development Plan," Wallace said upon arrival.

"The intent of our visit is to sow the seeds for extended trade linkages between Canada and Taiwan," he added.

While here, the trade mission will visit government officials and business leaders to introduce Canada's technologies and services that can contribute to the multi-billion-dollar National Development Plan.

Mandarin Airlines Inaugurates Vancouver Service*OW0712182891 Taipei CNA in English 1518 GMT
7 Dec 91*

[Text] Taipei, Dec. 7 (CNA)—A jetliner of the Republic of China's Mandarin Airlines took off Saturday afternoon for Canada, inaugurating the airline's Taipei-Vancouver non-stop passenger service.

Flight No. 502 of Mandarin Airlines left Chiang Kai-shek International Airport at 5 p.m. with 205 passengers on board, including Mandarin Chairman Liu Teh-min and other company executives.

The flight was scheduled to reach Vancouver at 9.50 a.m. Saturday (local time) after about nine hours of flying.

Mandarin will operate a once weekly service at the initial stage and plans to add another flight in April.

At present, Canadian Airlines International is serving this lucrative trans-Pacific route, in cooperation with China Airlines (CAL), with three weekly flights.

Mandarin Airlines is a joint venture of several private companies in the Republic of China, including the flag-carrying CAL. The private airline also operates Taipei-Sydney service.

President Li Hosts Visiting Nauru President*OW0712080991 Taipei CNA in English 0734 GMT
7 Dec 91*

[Text] Taipei, Dec. 7 (CNA)—President Li Teng-hui told visiting Nauru President Bernard Dowiyogo Friday that the Republic of China [ROC] will work to further cooperative relations with the Republic of Nauru.

Li hosted a state dinner for Dowiyogo Friday at the Taipei Guest House.

Li said the ROC and Nauru have a longstanding friendship and he hoped that the friendship and cooperative relations will grow even stronger, especially after the signing of an ROC-Nauru agricultural technology agreement.

Dowiyogo said he was happy to visit the Republic of China again and he had been impressed by the wealthy and prosperous lives people here enjoy. Dowiyogo last visited the ROC in May, 1990 to attend the inauguration of President Li Teng-hui.

He expressed his hope that Nauru will benefit from the developmental experience of the ROC, and noted that Nauru could especially learn from the ROC's agricultural technology.

Dowiyogo Friday morning visited Taoyuan, northern Taiwan to learn about the farmers' lives there.

He visited a vegetable farm and was quite impressed with the facilities, government assistance to farmers and modern farm houses. He said the farm village could be a model for Nauru.

Dowiyogo, who arrived here [passage indistinct] will be leaving Dec. 7.

Chien on Lilley Speech, Portugal, Korea Ties*OW0812132991 Taipei China Broadcasting
Corporation News Network in Mandarin 2300 GMT
7 Dec 91*

[From the "National News Hookup" program]

[Text] Commenting on a recent speech made by James Lilley, former U.S. ambassador to Communist China, on peace across the Taiwan Strait, Foreign Minister Chien Fu [Frederick Chien] pointed out yesterday that it is James Lilley's personal opinion and does not represent the policy of the United States. Vice Foreign Minister Cheng Chien-jen maintained: James Lilley's speech showed that he disagrees with the statement made by the Communist Chinese regime. However, at present, James Lilley still has not been installed in his new post and is not a U.S. official yet. Whether or not the United States has changed its policy toward China, the official pointed out, we do not see any such indication yet.

James Lilley has already been nominated by U.S. President Bush to act as assistant director in charge of international security affairs under the Department of Defense. However, the appointment is still pending approval by the U.S. Congress. The U.S. Congress will not [words indistinct] his appointment until it opens its session toward the end of January next year. Therefore, Foreign Minister Chien Fu stressed several times yesterday that James Lilley still has not assumed his new post, and that his recent speech purely reflects his personal opinion and does not represent U.S. policy.

Meanwhile, Chien Fu disclosed yesterday that an improvement in relations between the Republic of China [ROC] and Portugal can be expected. It has been learned that our side and Portugal have already reached an agreement on setting up a representative office in the each other's country. At present, both sides are conducting final negotiations on relevant details. Delivering a report at a meeting of the Overseas Chinese Affairs Standing Committee of the Legislative Yuan yesterday on measures for [words indistinct] Overseas Chinese and answering an interpellation by Legislator Wang Ting-hsi, Chien Fu pointed out: When Administrative Vice Foreign Minister (Huang Chin-yuan) visited Portugal in September this year, Portugal agreed to facilitate approval of visa applications by ROC citizens. Moreover, the ROC and Portugal have also made progress in their relations in other fields. It has been learned that our side and Portugal already reached an agreement on setting up a representative office in each other's country. Portugal is the only country in Western Europe in which the ROC has not yet set up a representative office. The

agreement reached by both sides this time on setting up a representative office signals a major breakthrough in bilateral relations. According to our understanding, our representative office will be under the name of Taipei, while relevant details are still under negotiation.

Meanwhile, Minister Chien Fu also pointed out: After No Tae-U was installed as President of the Republic of Korea [ROK], the ROK adopted a very clear-cut policy of normalizing its relations with Communist China. The organizations surveying popular will and public opinion in our country all require the government to take corresponding measures. Therefore, the Government's plan of considering moving the ROC Embassy to another location is a measure that conforms to popular will and public opinion. However, Minister Chien Fu particularly stressed he disagreed with accusations by some outsiders that moving the ROC Embassy to another location is a black box operation. He expressed that the conditions for changing the location for the ROC Embassy cannot be made public.

Russian Official Seeks Cooperative Projects

*OW0912081791 Taipei CNA in English 0746 GMT
9 Dec 91*

[Text] Taipei, Dec. 9 (CNA)—Igor Chernyanskiy, deputy head of Primorye Regional Administration of the Russian Federation, arrived in Taipei Sunday for a five-day visit.

Chernyanskiy, also a member of an Economic Reform Council under the parliament of the Soviet Union, told a news briefing following his arrival that the main purpose of his visit is to probe the possibilities for economic cooperation between Taiwan and his homeland.

Chernyanskiy said that Vladivostok, the most important Russian port on the Pacific Ocean, is in the Primorye Region in southeastern Siberia near the North Korean border and will become a free port next year.

In line with the region's open-door policy, Chernyanskiy said, Primorye regional authorities are actively seeking foreign investments to help develop Vladivostok into a modernized free port. Taiwan, with its rich cash and dynamic economy, is high on the list of countries the Primorye Regional Administration most wants to woo, the Soviet visitor noted.

Chernyanskiy said that most Soviet people, including himself, are not familiar with Taiwan. He hoped Taiwan authorities will launch a publicity drive to help the Soviets better understand the current situation here to pave the way for future cooperation in trade, economic and cultural fields.

During his stay in Taipei, Chernyanskiy will call at the Ministries of Foreign and Economic Affairs, the China External Trade Development Council and other trade promotion agencies. He will also meet with ranking trade officials to discuss possible cooperative projects.

Chernyanskiy's visit has been organized by the Taipei-based Jang Fu Enterprise Co., a pioneer in tapping Soviet markets.

Government Cautious on Slavic Commonwealth

*OW1012083391 Taipei CNA in English 0749 GMT
10 Dec 91*

[Text] Taipei, Dec. 10 (CNA)—Vice Foreign Minister John Chang said Monday that the Republic of China [ROC] will watch developments in the Soviet Union before deciding whether or not to recognize the three republics forming a Slavic commonwealth.

The independence of the Ukraine, which together with Russia and Belorussia [Belarus] are forming the commonwealth, is different from that of the three Baltic states, Chang said.

The United States and European countries have been cautious in extending recognition to the Ukraine's independence; so has the Republic of China, Chang added.

He said Taipei has already had "substantive" contacts with the three Soviet republics, but it must wait some time to develop relations at higher levels.

The "substantive" contacts include a visit here by Moscow Mayor Gravrill Popov last October. A Russian republic official and an ROC ruling party delegation are currently visiting each other's country.

In Taipei, Igor Chernyanskiy, deputy head of the Primorye Regional Administration of the Russian Federation, said that his region hopes to exchange trade offices and to open direct transportation links in order to develop economic ties with Taiwan.

A member of the Economic Reform Council under the parliament of the Soviet Union, Chernyanskiy also urged ROC banks to open branch offices in his province.

Welcoming ROC investors to join in electric power development and coal mining projects in his province, the Russian local government leader said their investments will be guaranteed.

In an interview with the CNA, Chernyanskiy worried that the formation of the Slavic commonwealth might result in chaos inside the Soviet Union and even a nuclear disaster.

Asked to comment on the three Slavic republics' declaration of independence from the Kremlin, Chernyanskiy said, "No good."

He noted that the independence of Ukraine, the largest food producer in the Soviet Union, will have a "far-reaching effect" if it refuses to supply food to other Soviet republics.

In Moscow, a Kuomintang (KMT) delegation was warmly welcomed during a party congress of the Russian Democratic Party. More than 700 party delegates and

guests from 14 other countries, including the United States, the United Kingdom, and the ROC, participated.

Ming Chi, the KMT delegation chief, said the KMT and the Russian party share the same ideals of "freedom, equality and fraternity."

During a brief address, Ming told the gathering that he believes cooperation between the two parties will help develop cultural, educational, and trade and economic ties between the two countries.

Ming also forwarded KMT Chairman Li Teng-hui's congratulatory message and Secretary General Sung Chu-yu's [James Soong] letter to the Russian party leadership.

Barter Deal for Russian Coal Nears Finalization

*OW0712140291 Taipei Voice of Free China
in English 0200 GMT 7 Dec 91*

[From the "News and Commentary" program]

[Text] The ROC [Republic of China] is negotiating with Siberia's largest coal company on what could turn out to be the nation's biggest barter trade deal with the Soviet Union. Under a nearly finalized deal, Taiwan Power Company and China Steel Corporation are to procure Siberia coal with equivalent value Taiwan products. A major Japanese trading house will serve as the intermediary. Officials said the Japanese trading firm buys 60 to 70 million tons of coal from this particular Russian state-owned coal company each year. Siberian coal boasts both superior quality and inexpensive price. Furthermore, given Siberia's proximity to the Far East, there are also great savings in shipping cost. China Steel needs quality coal badly for refining steel. However, officials said coal-providing countries such as South Africa have been deliberately retained premium coal for domestic use while offering overseas customers only inferior coal.

East Asian Businessmen's Conference Concludes

*OW0712090891 Taipei CNA in English 0757 GMT
7 Dec 91*

[Text] Taipei, Dec. 7 (CNA)—Chinese and Japanese business leaders pledged to jointly promote balanced trade and mutually beneficial economic cooperation between the two countries Friday at the conclusion of the 19th East Asia Businessmen's Conference here.

In a joint statement issued after the meeting, Japanese delegates agreed to help Taiwan upgrade its industry and expand exports to Japan in order to narrow the trade [word indistinct] between the two countries.

The statement said both sides have set up [word indistinct] "parallel" organizations to [words indistinct].

The two [words indistinct] prepare joint packages to help correct imbalances in bilateral trade and will track progress in such programs.

As the two most important investors in Asia, the Republic of China and Japan must work together to help boost regional stability and economic prosperity, the statement said.

Both parties agreed that recent dramatic changes in the Soviet Union have helped ease tensions in East Asia and have created fresh investment opportunities in the region. Taiwan and Japan will again hands to further expand their economic presence in Asian Pacific markets, the statement pledged. [passages indistinct]

Jordanian Economic Officials Arrive in Taipei

*OW0712081891 Taipei CNA in English 0736 GMT
7 Dec 91*

[Text] Taipei, Dec. 7 (CNA)—Marwan 'Awwad, secretary general of the Ministry of Industry and Trade of Jordan, and Hasan Su'di, director of the Standards and Measurement Directorate, arrived in Taipei Friday.

During their stay here, Awad and Saudi will call on Economic Affairs Minister Hsiao Wan-chang [Vincent Siew] and Vice Foreign Minister Chang Hsiao-yen. They will also visit economic organizations in the Republic of China.

Lu'ayy Mismar, newly appointed director of the Jordanian Commercial Office to Republic of China, came with them to assume his new post.

Economic Official Returns From Caribbean Meeting

*OW1012083091 Taipei CNA in English 0755 GMT
10 Dec 91*

[Text] Taipei, Dec. 10 (CNA)—Vice Economics Minister P.K. Chiang announced Monday that Taiwan will establish a trade promotion center and a warehouse in Miami, Florida, in order to expand trade in Latin America.

Chiang made his remarks after he returned home from the 1991 Miami Conference on the Caribbean held Dec. 2-5.

He said Latin America with its abundant natural resources is a market with great potential and the United States is actively promoting the formation of a Latin American single market.

To set up a foothold in Miami, which has played a key role in providing banking, transportation and communications services to Central and South America, will help Taiwan manufacturers expand trade in Latin America, Chiang explained.

Chiang urged Taiwan manufacturers which have previously focused their attention on Southeast Asian and Chinese mainland markets to consider Latin America when attempting to diversify their export market.

Guatemalan Foreign Affairs Official Arrives 9 Dec
OW0912090991 Taipei CNA in English 0752 GMT
9 Dec 91

[Text] Taipei, Dec. 9 (CNA)—Juan Reyes Lopez, president of the Foreign Affairs Commission of the Guatemalan Congress, arrived in Taipei Monday for an eight-day visit.

While here, he will visit Vice President of the Legislative Yuan Liu Sung-fan, Vice Chairman of the Council of Agriculture Lin Hsiang-nung, and other government leaders.

Paraguayan Government Official Arrives for Talks
OW0912090791 Taipei CNA in English 0750 GMT
9 Dec 91

[Text] Taipei, Dec. 9 (CNA)—Raul Sapena Brugada, secretary general to the president of Paraguay, is scheduled to arrive in Taipei Monday for an eight-day visit.

While here, he will call on Premier Hao Po-tsun, Vice Economics Minister Li Shu-jou, Vice Chairman of the Council of Agriculture Lin Hsiang-nung, and other government leaders.

Hong Kong

Additional Boat People Repatriated to SRV

HK1012021391 Hong Kong SOUTH CHINA
MORNING POST in English 10 Dec 91 p 1

[By Fiona Macmahon, Fiona Chan, and Shirley Yam]

[Text] Volunteers will be mixed with Vietnamese being forced back to Hanoi today on a Hercules chartered at a cost of \$1 million [Hong Kong dollars] to the taxpayer to carry only 28 boat people back home.

But Security Branch officials have asked the office of the United Nations High Commissioner for Refugees (UNHCR) to look at the possibility of using ships for further voluntary returns to Vietnam.

Security Branch staff plan for today's operation to take place in full view of the press but have not ruled out using plastic handcuffs to refrain boat people who resist boarding the plane.

Acting Secretary for Security Mr. Ian Strachan said the level of force used by the police and Correctional Services Department (CSD) officers would depend on the resistance put up by the 16 who had not volunteered.

"It is very difficult to say in advance what measures we are going to take," he said.

The operation will start before 8 am today when the boat people will be moved from the Hei Ling Chau detention centre and taken by a special ferry to Kai Tak.

CSD officers will supervise the group's embarkation on to the Hercules which is capable of carrying up to 250 passengers.

Police officers and Security Branch staff will accompany the group of 28 on the flight which is due to leave at 11 am and arrive in Hanoi 3 and ½ hours later.

Principal Assistant Secretary for Security Mr. Eddie Chan and Assistant Secretary for Security Mr. John Au Yeung will monitor the boat people during the flight and their handover in Hanoi.

The Hercules chartered through the British company Heavy Lift, from Indonesian operators Pelita, will fly back to Hong Kong before returning to Jakarta.

Mr. Strachan said he did not expect Hong Kong would face international criticism following the operation since Hong Kong was acting in accordance with the Comprehensive Plan of Action signed by the United States and many other governments.

Today's flight will include 12 boat people who have arrived since the Government reached an agreement with Vietnam for the return of all those screened out as non-refugees.

The other 16 boat people on the flight are "double-backers", those who have arrived in Hong Kong more than once, and are being forced home.

Government Refugee Co-ordinator Mr. Clinton Leeks denied it was unfair to mix the two groups on the same flight though many boat people returning voluntarily were anxious the Vietnamese Government knew they were coming home willingly.

The Hanoi authorities would be given separate lists so they would know who had volunteered and who were being sent home against their will, Mr. Leeks said.

The 12 arrived in the territory on October 30, the first boat to reach Hong Kong after agreement was reached with Vietnam for the mandatory return of all those who did not qualify for refugee status.

Mr. Leeks said the group heard on Saturday appeals for refugee status had been rejected and were told yesterday they would be returned home.

He said the 12 had all volunteered once they knew what their fate was after having been counselled about voluntary repatriation by UNHCR staff over the weekend.

They have been held separately from other longer stayers since their arrival and were the first to be subjected to "fast track screening" having their claims for refugee status heard ahead of some who arrived several months ago.

Officials hope the return of this group will persuade others in Vietnam there is no point in setting out for Hong Kong.

But they say it is inappropriate to fill the remaining seats on the Hercules with other volunteers who arrived in Hong Kong before the agreement.

The proposal had been rejected by the UNHCR who said the volunteers were anxious not to be associated with those unwilling to return.

The "double-backers" being returned today were also free to volunteer and would be given applications for voluntary repatriation once they were on the plane to accommodate a sudden change of heart, Mr. Leeks said.

The Government has asked the UNHCR to look at the viability of organising voluntary repatriation by sea rather than by air due to the large numbers now coming forward to return.

The Security Branch has suggested the UNHCR consider using ships to cut back on the number of voluntary flights which could reach six-a-month next year.

Assistant Secretary for Security Mr. Chris Williams said the UNHCR had been approached to see if it would be easier to return volunteers on ships.

The viability of the scheme would depend on whether there were ships available and how much it would cost.

Mr. Williams said it might be more expensive returning people by ship because the sailing time to Vietnam would be far greater than the 90-minute flight to Hanoi.

Conceding that the present exercise was "quite expensive", panel convenor Mrs. Rita Fan Hsu Lai-tai however shared the administration's view that it was inappropriate to conduct orderly repatriation by sea or on land.

She called on the international community, especially the press, to be "fair and objective" in handling today's repatriation which she stressed was in accordance with international practice.

Deportation 'Without Incident'

HK1012051091 Hong Kong AFP in English 0446 GMT 10 Dec 91

[Text] Hong Kong, Dec 10 (AFP) - Hong Kong deported another 28 Vietnamese boat people Tuesday without incident and revealed that talks were under way in Hanoi to pack off thousands more in the months to come.

None of the deportees—all natives of southern Vietnam—were seen putting up resistance as they were taken by Royal Navy ferry from an outlying island to Hong Kong airport for the flight home on a cargo plane.

Two women were visibly upset, however, as they boarded the ferry at Hei Ling Chau, and at the airport six men were led by the arm by Correctional Services Department staff in track suits.

Government officials said eight people had been loaded onto the ferry at Hei Ling Chau earlier than the others because they were suspected of being potential "trouble makers." They did not elaborate.

The apparent smoothness of the operation was in sharp contrast to the deportation last month of 59 boat people, many of whom kicked and shouted as they were pushed or carried onto the chartered Hercules.

Britain and Vietnam agreed in October that Hong Kong would send back Vietnamese boat people in the British colony deemed to be "economic migrants," rather than political refugees eligible for resettlement in the West.

Up to 80 per cent of the more than 60,000 boat people interned in Hong Kong are considered to be migrants from poverty in Vietnam.

The first two batches of deportees consisted of "double backers," Vietnamese who returned to Hong Kong after going back home once before voluntarily under a United Nations scheme, and Vietnamese who arrived in the colony after the October agreement was concluded.

But Clinton Leeks, the Hong Kong Government's refugee coordinator, said talks were under way in Hanoi on the technical aspects of repatriating other Vietnamese who, in some cases, have been in Hong Kong for several years.

"We're now beginning planning for the next flight," he told reporters.

Leeks said Tuesday's deportees, like those before them, had "guarantees of non-persecution" and would be monitored by the United Nations High Commissioner for Refugees.

"We have agreed with the Vietnamese that they will initially be received in Hanoi in a transit center," he said. "From there, they will be transported down to Ho Chi Minh City, I guess, by road in the next few days."

Hong Kong tried forced repatriation once before, with 51 Vietnamese in December 1989, but the chaotic pre-dawn operation provoked an international outcry, particularly from the United States.

Tuesday's group included 13 double-backers and three family members who had not been in Hong Kong previously, and 12 Vietnamese who landed here October 30 and did not qualify for refugee status.

Ten were children, mostly babies and toddlers.

Many of the Vietnamese carried large blue shopping bags which officials said contained toys and other souvenirs.

Unarmed police officers, interpreters and counsellors accompanied the Vietnamese on the three-hour flight to Hanoi, which took off shortly after 11 a.m. (0300 GMT).

Boat People Claim Persecution

HK1012070291 Hong Kong AFP in English 0535 GMT 10 Dec 91

[Text] Hong Kong, Dec 10 (AFP)—Promises that Vietnamese boat people will not be persecuted when they return home ring hollow for those who face forced repatriation from Hong Kong.

Human rights activists and boat people themselves say that under Vietnam's communist system, there are several ways that the authorities can make life miserable for returnees.

"The Vietnamese Government will not persecute people for the time being," one Vietnamese told AFP in an interview. "But in a year or two, the authorities would reconsider their background."

A second batch of 28 Vietnamese to be deported from Hong Kong under an agreement reached in October between Hanoi and London left the British colony by air Tuesday.

The first group of 59 were flown out on November 9. Several of the Vietnamese resisted, and had to be pushed or carried onto the cargo plane that would airlift them home.

When Britain and Vietnam agreed to send back boat people deemed to be economic migrants, rather than

genuine political refugees, Hanoi promised that returnees would not be victimized.

"The Vietnamese Government has guaranteed that no illegal immigrant who returns to Vietnam will face persecution," said Alistair Asprey, Hong Kong's secretary for security.

Monitoring by the United Nations High Commissioner for Refugees (UNHCR), assisted by Hanoi, will ensure that the guarantee is "fully respected," Asprey said on October 29.

But the Vietnamese who spoke to AFP said there were many ways that returnees could suffer for trying to flee their country, even if they are not immediately arrested upon their return.

He spoke on condition that his name and background not be disclosed—a measure of the fear that runs through the 60,000-plus boat people in Hong Kong, up to 80 percent of whom face forced repatriation.

His worries stemmed from a pervasive network of social controls which, he believed, remains intact despite a new generation of reformists at the head of the Vietnamese Communist Party.

Job applicants, for example, have their family backgrounds screened back three generations, and a cadre running a state-owned workplace is unlikely to hire those with black marks on their record.

"If we go back to Vietnam, the only thing (boat) people would be able to do is hard labor," he said, particularly at a time when one in four Vietnamese are reported to be unemployed.

"If in Vietnam you have an accident and go to court, the judge would consider your background...(Returnees) would never have equality in court," he added.

The Vietnamese also spoke of a 13-tier system by which the authorities rank the loyalty of citizens. If returnees are put on the bottom rung, he said, they are liable to be the first victims if Hanoi were to begin a fresh political crackdown.

Returnees from the countryside risk ostracism in the villages they fled, the Vietnamese added.

"If they apply for a job in a factory, local people will complain, since the local people themselves have no job," he said.

One of the greatest dangers, he said, is that local authorities will ignore directives from Hanoi and treat returnees as harshly as they wish.

"The custom of the village is more powerful than the rule of the king," he said, citing a familiar East Asian proverb.

Returnees who, unable to find a job, opted to start a small business could come under pressure to pay money to police officers "accusing them of contacts with foreigners," he said.

The initial experience of the November returnees appeared to bear out some of these fears, though there has been no reports so far that they have faced persecution or harassment.

Within 48 hours of their arrival, and before foreign television cameras, the returnees were hand-printed and given copies of police certificates declaring that they had left Vietnam illegally.

One of the 59 was promptly arrested on theft charges.

In a report last week, the New York-based human rights group Asia Watch said it detected "a disturbing pattern of interrogation and low-level harassment" of Vietnamese who have gone back home voluntarily under a UNHCR program.

"There is a perception among some returnees that their difficulty in getting jobs or business or fishing licenses is due primarily to their status," it said.

"If this is the treatment encountered by willing returnees, Asia Watch fears that those forced back may encounter worse," it said.

Lord Caithness: Atmosphere 'Has Deteriorated'

*HK0712033091 Hong Kong SOUTH CHINA
MORNING POST in English 7 Dec 91 pp 1, 2*

[By Doreen Cheung and Shirley Yam]

[Text] China's attitude towards Hong Kong's Executive and Legislative Councils [Exco and Legco], especially the legislature, has deteriorated over the past few months, according to the visiting British Foreign Office Minister with responsibility for Hong Kong, Lord Caithness.

Legislators were told that on issues such as China's recognition of the two councils, the mainland's attitude had worsened when compared with a few months ago, said Mr. Fred Li Wah-ming.

Mr. Lee Wing-tat quoted Lord Caithness as saying that the atmosphere during his meetings with Chinese officials had also deteriorated.

Although Lord Caithness did not suggest what factors had led to the deteriorating relations, it is believed that Legco's latest demand for more flexibility in the composition of the territory's Court of Final Appeal and the proposal to set up a committee system had provoked China.

Speaking after meeting the minister, Senior Executive Councillor Lady Dunn said members continued to believe it was important that they were recognised and to have a dialogue and relationship with China.

Lord Caithness did not touch on China's attitude when he said he had discussed with Omelco [Office of Members of the Executive and Legislative Councils] members the proposed Legco committee system.

He said that while in Beijing he had made it very clear to Chinese ministers that it was entirely up to Legco to organise itself.

"In the Royal Instructions and Letters Patent, Legco can set up its committees," Lord Caithness said.

"How Legco runs itself must be a matter for Legco. But the administration of Hong Kong continues on the same basis as before."

Lord Caithness said the British Government would go back to China before the next election in 1995 on the issue of more democracy for Hong Kong.

But Mr. Michael Ho Mun-ka said he was disappointed at the British minister's failure to raise the subject with China during his visit and over the fact that he had fallen short of offering a timetable.

Mrs. Peggy Lam Pei Yudja, on the question of the future of the Governor, Sir David Wilson, said the Foreign Office minister had said the present governor was the best available one.

Mr Lau Chin-shek quoted Lord Caithness as saying that Sir David had his full backing and there would not be a change in the governorship.

Meanwhile, in a letter by Lord Caithness to Dr. Leong Che-hung, Britain has demanded that Omelco members make a concession in not pressing further nationality issues before Britain considers granting citizenship to 200 local children affected by the British Nationality Act 1981.

The request was criticised by Dr. Leong as totally unacceptable as Omelco was in no position to make any concessions on behalf of Hong Kong people.

Under the nationality act, a residence requirement for citizenship is imposed on children born before 1983 of British passport holders in Hong Kong while siblings born after that date are immediately entitled to citizenship.

The Home Office in Britain did not consider it appropriate to exercise its discretion to grant exemption to these children but agreed to give special consideration provided Omelco made its concession.

Pressed by councillors in yesterday's meeting, Lord Caithness admitted that the demand, which he said came from the Home Office, was wrong and promised to pursue the matter.

He also agreed to clarify with the Home Office the special arrangement it was considering.

Rejects Council Demands

HK0712042491 Hong Kong THE STANDARD
in English 7 Dec 91 p 1

[By Christine McGee and Amy Choi]

[Text] Visiting British Minister with Special Responsibility for Hong Kong, Lord Caithness, yesterday rejected legislators' demands that they be consulted before Hong Kong issues were raised by the Sino-British Joint Liaison Group [JLG].

Speaking after meeting Omelco [Office of Members of the Executive and Legislative Councils], he said all JLG dealings were confidential and that rule would not change.

He also warned that Hong Kong-China relations had reached their lowest ebb, but that he would still inform Beijing of Hong Kong's concern on the pace of democracy in the territory.

After the hour-long meeting, Lord Caithness said JLG discussions must remain confidential as had been set out in the Joint Declaration.

"We discussed this in some detail and I will be talking about this particular matter with the Governor," Lord Caithness said.

"But it is right that those discussions should remain confidential."

Legislators generally agreed that the meeting was disappointing. Appointed Legislator Moses Cheng said the Government had insisted that "we are not to be a rubber stamp but what is this (by passing objections to the Final Court of Appeal) if not a rubber stamp?"

But Lord Caithness said the court decision was "part of the agreement we have reached within the Joint Declaration. It is by no means a full agreement because a lot has yet to be decided. It has then come in a legislative form to Legco" [Legislative Council].

"I hope that in its full, it will be seen to be beneficial to Hong Kong to have a Court of Final Appeal before 1997 and not to wait until that date. Until the full package is before them, I think it is quite difficult to comment," he said.

He said he would take back the message that some legislators would like part of the package to be looked at again.

Regarding the Legislative Council's committee reforms, Lord Caithness said he had made it very clear to the Chinese ministers that it was entirely up to Legco to organise itself.

"That is in the Royal Instructions and the Letters Patent that Legco can set up these committees and they shouldn't be worried about them. How Legco runs itself must be a matter for Legco," he said.

Repatriation Process 'Satisfactory'

HK0712034791 Hong Kong SOUTH CHINA
MORNING POST in English 7 Dec 91 p 2

[By Flona Chan]

[Text] Lord Caithness, the British minister responsible for Hong Kong affairs, said yesterday the progress of mandatory repatriation was "satisfactory" and the programme would continue.

The minister spent part of the first day of a two-day visit to the territory at Lowu detention centre, which houses about 770 voluntary Vietnamese returnees.

"We have not got a specific time table, but it is obvious we must continue the process of what we started and what has been successfully implemented so far," he said.

Lord Caithness said there were two flights booked to carry returnees this month in addition to two bookings made by the United Nations High Commissioner for Refugees.

Firm Accused of Falsifying Certificates of Origin

HK0912115791 Beijing CHINA DAILY in English
9 Dec 91 p 2

[By staff reporter: "Illicit Exports End Links With Firm"]

[Text] China recently issued a decree banning its domestic trade companies and manufacturers from doing business with Hong Kong-based Great Country Ltd, saying that it has been carrying out illegal re-exports of Chinese-made textile goods.

The decree, issued by the Ministry of Foreign Economic Relations and Trade (Mofert), accused the Hong Kong company, now called Lucky Country Ltd, of putting certificates of origin of a third country on Chinese-made textile goods before exporting them to the United States and other countries which have strict import quotas.

Such conduct has provoked further trade friction between China and major Western nations and damaged China's reputation in the world of trade.

Chinese foreign trade officials said the company had gone against China's latest regulation prohibiting the illicit re-export of textile goods.

China has made it clear that it will tighten the control over the issuing of "Made in China" certificates for export goods.

Meanwhile, domestic-made commodities are forbidden to carry labels of a third country or region.

The Lucky Country Ltd started its illicit trade in 1989, taking advantage of Chinese companies' innocence of origin of goods regulations in the destination countries.

The Hong Kong company is in severe debt with several Chinese companies, mainly in Guangdong Province.

Mofert pointed out that it will severely discipline those domestic companies or manufacturers in the textile industry which preserve their business ties with Lucky Country Ltd.

Government Issues Advice on Prison-Made Goods

HK1012044191 Hong Kong SOUTH CHINA
MORNING POST in English 10 Dec 91 p 3

[By Lorna Wong]

[Text] The Hong Kong Government has advised trade organisations and traders to observe American import laws amid news of an imminent ban on one brand of Chinese tea made in prisons.

But a government spokesman said yesterday: "Our customs regulations do not forbid prison-made goods into Hong Kong.

"As long as the country of origin is declared, such goods can come into the territory."

It is an offence to import prison-made goods into the U.S. But U.S. customs has found various Chinese forced-labour goods in its home markets, ranging from hand tools to diesel engines.

Hong Kong is said to be a conduit for the re-export of Chinese prison-labour goods.

During a congressional hearing in the U.S. last week, the Foreign Affairs Committee was told that U.S. customs was about to clamp down on imports of Red Star tea, a brand of red tea produced in the Yingde County of Guangdong.

A SOUTH CHINA MORNING POST article on November 30 was produced as part of the evidence.

The low-key warning from the Government was echoed by the semi-official Trade Development Council in the territory last night.

A spokesman said: "It is up to the traders to find out the laws of the land.

"Hong Kong is a very free port. We've a lot of information to help the exporters. The burden is in their own hands to find out the dos and don'ts."

Some local businessmen have taken the initiative to impose a self-regulation to ban prison-made goods.

The Federation of Hong Kong Industries has lobbied its members to include a special clause in their contracts with China to ensure the goods are not made in prisons.

Meanwhile, one of the leading Chinese retail outlets in Hong Kong, the Yue Hwa Emporium, which has an export arm in the territory, said last night all its products "come from proper channels".

Mr. Fang Kwong-woo, secretary to the chairman, said: "We don't sell prison-made goods".

When pressed whether he knew that the Yingde teas found in his shops might also have been made in labour camps, he said he was not aware of it.

"We would need to look further into the matter," he said.

"But it doesn't mean we can't drink the tea. If it's banned elsewhere, it just means we have to stop exporting to that country. Our primary concern is to do business."

An inquiry conducted by the POST 10 days ago found that all Yingde teas were produced in six to seven labour camps spread around the county.

Joint Action Taken To Crack Down on Smuggling

HK0712061491 Hong Kong Commercial Radio
in English 0400 GMT 7 Dec 91

[Text] Hong Kong and Chinese authorities have joined forces to crack down on smuggling between the territory and the mainland. As Laura Dangerfield reports, the operation has dealt a serious blow to smugglers.

[Begin Dangerfield recording] Sixteen vessels, including three high-powered speedboats, were seized. [words indistinct] 24 people were rounded up during the operation over the past two days. Sixty video-cassette recorders and televisions, 110 pounds of fish, and 220,000 dollars [currency not specified] in cash were also confiscated. The Hong Kong task force that took part in the crackdown consisted of police units as well as those from the Auxiliary Air Force, the Royal Navy, and the Army. Commissioner of Police Li Kuang-ho said the joint operation provided a good opportunity for the two sides to coordinate antismuggling efforts. He added that similar exercises would be staged in the future. [end recording]

Local Legal Experts To Visit Beijing, Shanghai

HK0712071491 Hong Kong AFP in English 0602 GMT
7 Dec 91

[Text] Hong Kong, Dec 7 (AFP)—A team of government legal experts is to embark on a 10-day study visit to China on Monday, a government spokesman said Saturday.

The seven-member delegation, led by John Wood, director of public prosecutions, will visit Beijing and Shanghai at the invitation of the Chinese Justice Ministry, the spokesman said.

He said the visit was part of a series of reciprocal legal study visits which have taken place over the past few years.

The visits are aimed at providing officials and legal experts a first-hand understanding of the other side's legal system and laws, the spokesman added.

Late last month, Beijing cancelled a visit by a group of legal professionals spearheaded by the local Bar Association, which has called for formation of a Court of Final Appeal before 1997 when the British colony reverts to Chinese rule under a Sino-British pact.

The visit comes after the colony's Legislative Council (Legco) voted 37-11 Wednesday in an unprecedented move to reject an agreement between Beijing and London on setting up the court.

Legco demanded greater flexibility to invite foreign judges to sit on the court as part of a bid to maintain investor confidence in Hong Kong ahead of 1997. The London-Beijing deal fixed the number of foreign judges at one.

Article Views Court of Final Appeal Controversy

HK0612120791 Hong Kong TZU CHING in Chinese
No 15, 5 Dec 91 pp 13-14

[By Chiang Hai-tung (3068 3189 1350): "What Is Essence of Upheaval in Hong Kong's Political Arena?"]

[Text] Hong Kong's political arena has known no calm following the Legislative Council [Legco] direct elections in September. It has been rocked by upheavals stemming from renewed calls for China to recognize Legco's status and from demands for the rejection of the Sino-British agreement on Hong Kong's Court of Final Appeal. What is the source of these upheavals? Their essence? What impact will they have on a stable transition period in Hong Kong and a smooth return of sovereignty over Hong Kong? This has triggered keen concern among the people.

Two Arguments With the Same Essence

While these two events may, on the surface, appear to be unrelated, they do in fact share an inherent connection.

Established according to a "British Royal Mandate" and "Royal Order," the Legislative Council is a department under Britain's colonial governing structure in Hong Kong and serves as a consultative body which helps the Hong Kong Governor draw up legislation. Such is the position and role of Legco, a fact which exists objectively and which precludes the question of recognition or nonrecognition. However, some people want the Chinese side not to recognize the objective existence of its position, but to recognize Legco as the "highest political structure" or "central organ of the people's will." This is totally impossible because it is not factual and is without any legal basis.

As the administration and management of Hong Kong before 1997 remains in the hands of Britain, there is no such thing as self-rule, much less a high degree of self-rule. The current Hong Kong Government under British rule is not an independent political entity. Hence, no matter how many directly elected Legco seats may be added, this does not change the character of Legco as a

consultative body ruled by the British Hong Kong Government. By asking that Legco be recognized as the "highest political structure" or "central organ of the people's will," some people are in effect hoping for the realization of a so-called "troika" situation made up of China, Britain, and Hong Kong. This not only deviates from the political reality of Hong Kong and violates the spirit of the Sino-British Joint Declaration, but is also contrary to the consistent position of the Chinese Government.

According to a provision of the Joint Declaration, the establishment of a Court of Final Appeal in Hong Kong should have been a post-1997 matter were it not for a special arrangement made by the Chinese Government in view of the historical and prevailing conditions of Hong Kong. In response to a request from the British side, the Chinese side agreed to the establishment of a Court of Final Appeal in Hong Kong before 1997 in order to gain experience and achieve a smooth transition. The principle and agreement concerning the Court of Final Appeal were reached following serious consultations by the Sino-British Joint Liaison Group (JLG) and in line with relevant stipulations of the Joint Declaration and the Basic Law.

After the publication of the agreement, initial reactions from all sectors of society were good, but they were followed not long after by criticisms and denunciations. First, a joint statement was issued by officials of two lawyers' associations in Hong Kong; then, insisting that the agreement on the Court of Final Appeal violated the Joint Declaration as well as the Basic Law, some Legco members demanded the rejection of the agreement and the reopening of talks. During this time, a Hong Kong Government official in charge of the matter actually claimed at a Legco hearing that "compromise" by the British side was "unavoidable"; some Executive Council [Exco] members publicly criticized the "bad agreement"; a spokesman of the British Foreign Office based in Hong Kong went further to assert that the JLG was not a decisionmaking body and that the Hong Kong Government was fully empowered to decide on the composition of the Court of Final Appeal; top Hong Kong Government officials even proclaimed that changes to the number of overseas judges in the Court of Final Appeal as well as a search for amendments acceptable to all sides cannot be ruled out. These statements and proclamations were contradictory to the official view held by the British Government that a good agreement had been reached as well as to the attitude of the leading British Foreign Office official that no renegotiation of this agreement will be carried out.

This time, clamor is heard from inside and outside the Hong Kong British Government: Senior appointed legislators and self-proclaimed "liberal" legislators are as one in demanding amendment or even rejection of the Sino-British agreement; meanwhile, British officials in Hong Kong aired views which were at odds with the spirit of this agreement; this incident may truly be described as a rarity.

Where, then, lies the essence of the problem? A Hong Kong columnist who is seen as a perennial defender of the Hong Kong Government's policy wrote: If the agreement is overturned and a new round of consultations is carried out by the Hong Kong Government and the Chinese side, then "Legco will succeed in its attempt to rid itself of the status of consultative body" and seize the chance to "transform itself into a center of power." "A successful amendment of this agreement concluded by the JLG will set a precedent which will then open the way for the vetoing of all other unsatisfactory agreements reached by the JLG in the past." In effect, this statement exposes the real issue here.

So, the uproar raised by those inside and outside the Hong Kong Government and by the ruling and opposition factions over the Court of Final Appeal issue was designed precisely to press vigorously for a "political structural reform" of the representative system of government and endeavor by hook or by crook to upgrade the status of Legco so as to achieve some people's so-called cherished objective of "returning government to Hong Kong".

Such Political Reform Is Inconsistent With Principle

The dream of certain people in Britain and Hong Kong of achieving this objective did not just start now. Some people charged the Chinese side with being afflicted with a so-called "conspiracy theory" and of casting doubts on the "good intentions" of some people. In fact, this is an "open conspiracy" known to all and requiring no shrewd deduction. However, if this defined objective is forcibly achieved and the return of Hong Kong to Chinese sovereignty vigorously hindered without taking into consideration the spirit of the agreement already concluded by the two sides and the existing realities in Hong Kong society, this will seriously jeopardize the prosperity and stability of Hong Kong before and after 1997.

A fundamental issue resolved by the Sino-British Joint Declaration was the return of Hong Kong to China and the resumption of Chinese sovereignty over Hong Kong on 1 July 1997. And the composition as well as function of the Court of Final Appeal is a matter which falls under the scope of sovereignty.

At present, the authority over final appeals in Hong Kong rests with the Privy Council in London. As the Basic Law has yet to be implemented, the resolution of a major issue related to sovereignty such as the establishment of the Court of Final Appeal should comply with the provisions of the Joint Declaration, with consultations carried out by the two governments of China and Britain through the JLG. The view that "the JLG is not a decisionmaking body and the Hong Kong Government is fully empowered to decide on the composition of the Court of Final Appeal" is inconsistent with the Sino-British Joint Declaration and is therefore extremely irresponsible.

Before 1997, questions concerning arrangements for the transition in Hong Kong are the affair of both the

Chinese and British Governments and should be resolved by these two governments and the JLG. Furthermore, an entity representing a third power does not exist at all. As it was impossible for Hong Kong's Legco to take part in talks and agreements reached by the Chinese and British sides at diplomatic level, including the Joint Declaration, the Memorandum of Understanding on the new airport project, as well as other agreements concluded by the JLG, it is also normal that Legco has no power to "discuss" with the Chinese Government the composition of the Court of Final Appeal, an issue which is related to the transfer of sovereignty concerning China and Britain. Nor does it have the power to amend or veto a Sino-British agreement. Attempts to use the issue of the composition of the Court of Final Appeal to upgrade the status of Legco will only be an exercise in futility. There is absolutely no reason for the Chinese side to accept these attempts.

It should be noted that someone made a remark to the effect that on this issue of the composition of the Court of Final Appeal, the Chinese and British sides have infringed on the judicial independence of Hong Kong. However, judicial independence means noninterference by administrative and legislative organs in the concrete trial activities of the different levels of courts as well as the absence of influence by other aspects of society. The composition and function of the Court of Final Appeal is different from the issue of judicial independence. The chief justice and regular and appeals judges in Britain are nominated by the prime minister and appointed by the queen. In the United States, Supreme Court justices are nominated by the President and then confirmed by the Senate. Do these acts also violate the independence of the judiciary?

Recently, there has been yet another very interesting development which is related to the aforementioned incident, that is, the attempt by some people within Legco to install a "standing committee system"—a move which will change the previous practice whereby a resolution is drafted by Exco and submitted to Legco for deliberation. Instead, this proposal will increase the power of Legco and transform it gradually into an independent, powerful entity over and above Exco, reducing "government by administration" into an empty slogan. This is yet another "return government to Hong Kong" gimmick which will set up obstacles to a smooth transition in Hong Kong. The promise by the Chinese side concerning "no change for 50 years" after "1997" is a sincere one. But some people are trying to use the remaining years leading up to 1997 to introduce extraordinary changes to Hong Kong's political system by converting "government by administration" to "government by legislation." If this attempt should succeed, it will not only jeopardize the political stability of Hong Kong during the transition period, but also leave behind "potential problems" for the government of the special administrative region. This will no doubt lead to conflicts with the Hong Kong political system which is provided for in the Basic Law. And it is something we do not want to see happen.

Begging for Foreign Intervention Is Bound To Fail

Aside from the "return government to Hong Kong" effort, an undercurrent has also recently surfaced, characterized by attempts to introduce foreign forces, internationalize the Hong Kong question, and consequently jeopardize the prosperity and stability of Hong Kong.

In early November, some newly elected individual Legco members, including the leader of the so-called "Liberals," went to the United States to try to get the latter to interfere in Hong Kong affairs and support these self-proclaimed "Liberals." Reports claimed that they were warmly welcomed by certain members of the U.S. House of Representatives and Senate; an unprecedented meeting with U.S. Vice President Dan Quayle gave them a reception said to "surpass those accorded other visiting Hong Kong Government representatives."

At a hearing on democracy and human rights in Hong Kong conducted by the Human Rights Subcommittee of the U.S. House of Representatives, these people presented the U.S. legislators with a proposal to amend the Hong Kong Basic Law in order to "accelerate the pace of democracy in Hong Kong." They expressed their agreement with the absurd theory of some U.S. legislators that "human rights and democracy transcend national boundaries," maintaining that if Hong Kong is to preserve its status as an international city "after 1997," "the United States will have to play an important role." They also called on some Overseas Chinese in the United States to support a "Hong Kong resolution" proposed by some U.S. legislators and designed to invite intervention in Hong Kong.

Reports claimed that some foreign political personalities are joining Hong Kong's so-called "Liberals" in suggesting that the United Nations set up a monitoring committee to "monitor the implementation of the Sino-British Joint Declaration." A Hong Kong newspaper even asserted that this committee should "examine" the "breach of the Joint Declaration" by China and Britain on the question of the Court of Final Appeal. It continued: "The hope of the Hong Kong people comes from abroad." Indeed, this completely exposed the tremendous efforts and maneuverings carried out by some people in order to internationalize the Hong Kong question.

The future of Hong Kong lies in its return to the motherland. The previous ways and means adopted by Britain in pulling out from its colonies will not work in Hong Kong. Hong Kong after 1997 will continue to implement a capitalist social system. It will become a special administrative region under the central people's government of the PRC and will enjoy a high degree of autonomy. But it is not an independent political entity. Nor can it become a region under "joint international management." This is an irreversible outcome which no one can alter, whatever devices he may exhaust. While some people in Hong Kong oppose the social system of

the mainland, the majority do accept the Joint Declaration and the Basic Law and also support the guideline of "one country, two systems" and of "Hong Kong people ruling Hong Kong." Hence, they also maintain that it is necessary to respect the mainland's socialism and oppose any attempt to resist and confront the Chinese Government. Using some forces in Hong Kong to confront the Chinese side through certain political structures or using foreign forces to confront the Chinese side—all these are detrimental to the overall situation in Hong Kong as well as to a satisfactory management of relations between Hong Kong and the mainland. If these words and actions are allowed to dictate the political situation in Hong Kong during the transition period, they will definitely affect the smooth transition to "1997" and affect adversely an orderly transfer of sovereignty over Hong Kong. No doubt the great majority of Hong Kong people will oppose this once the truth is known.

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[Editorial: "China, Britain Reaffirm Implementation of Agreement on Court of Final Appeal"]

[Text] This week, the Sino-British Joint Liaison Group [JLG] held its 21st meeting to discuss Hong Kong matters during the transition period. With cooperation and efforts, it has obtained new results. The JLG decided to add seven additional international pacts that will remain applicable to Hong Kong in the future. It also made headway in the arrangements for major franchises straddling 1997. At the meeting, the Hong Kong Legislative Council's [Legco] debate over the Court of Final Appeal was also discussed. Both the Chinese and British representatives did not appreciate that debate. They unanimously reiterated that they would implement the principled agreement reached at the previous JLG meeting, and that they would not discuss the question of the Court of Final Appeal all over again. The statements by the chief representatives of both sides will enhance people's confidence in the implementation of the "Joint Declaration" and relevant agreements by China and Britain. If the agreements reached remain unimplemented, or if they are overridden by further discussion, it will be difficult to maintain their credibility.

The Sino-British agreement on Hong Kong's Court of Final Appeal was reached only after prolonged study and discussion. It fully conforms to the spirit of ensuring a peaceful and stable transition and of "Hong Kong people governing Hong Kong" in the future, as stated in the "Joint Declaration." China has conferred the right of final adjudication on the Hong Kong Special Administrative Region in line with the "one country, two systems" principle. In view of the interests of the people of Hong Kong, the JLG discussed establishing the Court of Final Appeal in Hong Kong before 1997 to facilitate the training of personnel, gaining experience, and a smooth transition. The British side has publicly stated that

during the process of talks on the Court of Final Appeal, the Hong Kong Government had adequate opportunity to express its views and that the Hong Kong Government supports the agreement. Since the Hong Kong Government will be responsible for the administration of Hong Kong in accordance with the "Joint Declaration," it should thus be bound to implement the agreement on the Court of Final Appeal.

As for the motion debated and passed by Legco on Wednesday, some comparatively quiet Legco members said that its wording and content are vague. The motion called on the Hong Kong Court of Final Appeal to be more flexible in the future about inviting overseas judges to sit on it. The word "in the future" does not specify clearly whether it is a time before or after 1997. If it is a time before 1997, the "Joint Declaration" and the "Basic Law" do not mention a word about the question of establishing the Court of Final Appeal in advance. Still less do they specify flexibility about inviting overseas judges to sit on the court before 1997. If it is a time after 1997, it will basically be a matter out of the scope of Legco's powers and functions. Therefore, this motion, which was passed after five hours of discussion in Legco, is completely unnecessary and invalid.

As Chinese chief representative Guo Fengmin said, the JLG is an organization set up by the Chinese and British Governments; no organization in Hong Kong, including Legco, has the power to change the agreement on the Court of Final Appeal reached by the two countries. Legco is a British machine responsible for the administration of Hong Kong. Although some Legco seats are held by members elected in district elections since the beginning of this year, this does not change the nature of Legco.

As the nature of the Urban Council and district councils remains unchanged, and their members have not gained more powers despite the fact that direct elections were introduced for them long ago, still less will the nature of Legco change now that the Legco elections proceed in accordance with the provisions and conditions of the Hong Kong Government, and measures and actions taken by the Hong Kong Government will affect the results of the election. Legco is also comprised of Hong Kong Government officials and a large number of appointed Legco members, and as a whole body, it cannot be independent of the Hong Kong Government and cannot be opposed to the policy decisions and wishes of the Hong Kong Government. If Legco itself became an independent decisionmaking organization and if it could veto major policies and measure, it would imply that the British Hong Kong Government had lost control over Hong Kong and was unable to carry out the obligations it promised in the Sino-British Joint Declaration. If so, it would be another kind of development. In fact, people can ask with good reason whether or not the British Hong Kong Government has any responsibility whatever for the occurrence of that debate in the Legco, the numerous criticisms on the Sino-British agreement and its process of development?

In the future, Hong Kong will be governed by its own people. There are all sorts of professionals in Hong Kong. We should be confident that they will be able to govern Hong Kong well with their efforts after they have received appropriate training. Hong Kong also has many legal professionals. At present, major judicial positions are held by persons of foreign nationalities. Here, there is a historical reason known to all. Seeing the fact that judges for the Court of Appeal are scarce, a certain Legco member said in Wednesday's debate that Hong Kong, in

reality, still had to rely on foreigners and that it should not limit the number of overseas judges. This is a slave's argument. Not long ago, Li Fook-sin, a former High Court judge, said the fact that the Court of Final Appeal limits the number of overseas judges is good for the growth and promotion of local judges. Establishing the Court of Final Appeal in Hong Kong before 1997 is a major event in the interests of Hong Kong. The Hong Kong Government should stop interference and implement the Sino-British agreement in its entirety.

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